



ORIGINAL



ALVAREZ & MARSAL PUBLIC SECTOR SERVICES

**Fairfax County / U.S. Communities
Innovative Solutions, Applications, Products, and Services**

Technical Proposal

Submitted To:

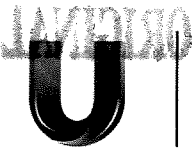
Department of Purchasing and Supply
Management
12000 Government Center Parkway,
Suite 427
Fairfax, Virginia 22035-0013

Submitted By:

Alvarez & Marsal Public Sector Services, LLC
Columbia Square
555 Thirteenth St NW
5th Floor West
Washington, DC 20004



ORIGINAL



FAIRFAX COUNTY / U.S. COMMUNITIES
INNOVATIVE SOLUTIONS, APPLICATIONS, PRODUCTS, AND SERVICES
RFP #2000001342



Fairfax County / U.S. Communities

RFP # 2000001342: Innovative Solutions, Applications, Products, and Services

Date of Submission

December 3, 2014

Prepared for

Department of Purchasing and Supply Management
12000 Government Center Parkway, Suite 427
Fairfax, Virginia 22035-0013

Submitted by

Alvarez & Marsal Public Sector Services, LLC
Columbia Square
555 Thirteenth St NW
5th Floor West
Washington, DC 20004

Melissa Glynn
Managing Director
202-729-2141
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This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used, or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in all pages/sheets herein.

ORIGINAL



FAIRFAX COUNTY

DEPARTMENT OF PURCHASING & SUPPLY MANAGEMENT
12000 GOVERNMENT CENTER PARKWAY, SUITE 427
FAIRFAX, VIRGINIA 22035-0013

www.fairfaxcounty.gov/dpsm

VIRGINIA

TELEPHONE: (703) 324-3201 FAX: (703) 324-3228 TTY: 1-800-828-1140

ISSUE DATE: October 24, 2014	REQUEST FOR PROPOSAL NUMBER: RFP2000001342	TITLE: Innovative Solutions, Applications, Products, and Services
DEPARTMENT: Purchasing & Supply Mgmt	DUE DATE/TIME: December 3, 2014 / 2:00 P.M.	CONTRACT SPECIALIST: Kristy Varda at 703-324-3217; kristy.varda@fairfaxcounty.gov

Proposals - In accordance with the following and in compliance with all terms and conditions, unless otherwise noted, the undersigned offers and agrees, if the proposal is accepted, to furnish items or services for which prices are quoted, delivered or furnished to designated points within the time specified. It is understood and agreed that with respect to all terms and conditions accepted by Fairfax County the items or services offered and accompanying attachments shall constitute a contract.

Note: Fairfax County does not discriminate against faith-based organizations in accordance with the Code of Virginia, § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment in the performance of its procurement activity.

NAME AND ADDRESS OF FIRM:

Telephone/Fax No.: (202) 412-5212

Alvarez & Marsal Public Sector Services, LLC E-Mail Address: mglynn@alvarezandmarsal.com

555 Thirteenth St, NW

Federal Employer Identification No or

20-1113970

5th Floor West

Federal Social Security No. (Sole Proprietor)

Washington, DC 20004

Prompt Payment Discount: 0% for payment within ___ days/net ___ days

State Corporation Commission (SCC) Identification No.

T0437428

By signing this proposal, Offeror certifies, acknowledges, understands, and agrees to be bound by the conditions set forth in the General Conditions and Instructions to Bidders as described in Appendix A.

BUSINESS CLASSIFICATION – Described in Appendix B - CHECK ONE: ☒ LARGE (Y) ☐ SMALL (B)

☐ MINORITY-OWNED SMALL (X) ☐ MINORITY OWNED LARGE (V) ☐ WOMEN-OWNED SMALL (C)

☐ WOMEN OWNED LARGE (A) ☐ NON PROFIT (9)

CHECK ONE: ☐ INDIVIDUAL ☐ PARTNERSHIP ☐ CORPORATION ☒ Limited Liability Company

State in which Incorporated: DE

Melissa Glynn

12/1/14

Vendor Legally Authorized
Signature

Date

Melissa Glynn, Managing Director

Print Name and Title

Sealed proposals subject to terms and conditions of this Request for Proposal will be received by the Fairfax County Purchasing Agent at 12000 Government Center Parkway, Suite 427, Fairfax, Virginia 22035-0013 until the date/time specified above.

AN EQUAL OPPORTUNITY PURCHASING ORGANIZATION

(DPSM32) rev 08/2013





County of Fairfax, Virginia

ADDENDUM

DATE: November 14, 2014

ADDENDUM NO. 1

TO: ALL PROSPECTIVE OFFERORS
REFERENCE: RFP 2000001342
TITLE: Innovative Solutions, Applications, Products and Services
DUE DATE/TIME: December 3, 2014 @ 2:00 PM

The referenced request for proposal is amended as follows:

1. The last date we will receive questions regarding this RFP will be November 21, 2014 by 2:00 PM EST.
2. All questions received to date are answered in the attached.

All other terms and conditions remain unchanged.

Kristy D. Varda, CPPB
Contract Specialist II

THIS ADDENDUM IS ACKNOWLEDGED AND IS CONSIDERED A PART OF THE SUBJECT REQUEST FOR PROPOSAL:

Alvarez & Marsal Public Sector Services, LLC

Name of Firm

(Signature)

(Date)

A SIGNED COPY OF THIS ADDENDUM SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL OR RETURNED PRIOR TO DUE DATE/TIME.

Note: SIGNATURE ON THIS ADDENDUM DOES NOT SUBSTITUTE FOR YOUR SIGNATURE ON THE ORIGINAL PROPOSAL DOCUMENT. THE ORIGINAL PROPOSAL DOCUMENT MUST BE SIGNED.

Department of Purchasing & Supply Management
12000 Government Center Parkway, Suite 427
Fairfax, VA 22035-0013

Website: www.fairfaxcounty.gov/dpsm

Phone (703) 324-3201, TTY: 1800- 828-1140, Fax: (703) 324-3681

Cover Letter



December 3, 2014

Ms. Kristy Varda
Department of Purchasing and Supply Management
12000 Government Center Parkway, Suite 427
Fairfax, Virginia 22035-0013

Dear Ms. Varda:

Alvarez & Marsal (A&M) is pleased to submit to Fairfax County our response to RFP #2000001342, request for innovative solutions, applications, products, and services for the U.S. Communities Government Purchasing Alliance. Founded in 1983, A&M is a multifaceted professional services firm, with over 2,500 professionals in 45 cities across the globe including 21 offices throughout the United States. As one of the fastest-growing, independent global professional services firms, A&M specializes in performance improvement, interim and turnaround management, and public sector advisory services. A&M delivers financial and operational management support, restructuring, agency modernization, project turnaround, performance improvement, crisis management, and large-scale program management to our clients.

Given our extensive experience providing our Government Efficiency Performance Improvement (GEPI) services across public sector agencies, we are well qualified to assist the U.S. Communities state and local public agencies with the identification and implementation of innovative solutions to save time and money, improve service delivery, increase operational effectiveness, and transform operating results.

Our Public Sector team reflects both organization's commitment to delivering value on behalf of citizens and increasing governments' effectiveness. Most importantly, the A&M Team is committed to not only make recommendations but also embed ourselves with staff to support the implementation of the program as appropriate.

We stand ready to support the state and local public agencies with a qualified and experienced team to meet their needs. We look forward to the chance to engage with the U.S. Communities agencies and will be pleased to further discuss our approach as warranted.

Thank you for the opportunity to present our innovative services for government efficiency.

Respectfully submitted,

Melissa Glynn, Ph.D.
Managing Director
(202) 729-2141 office
(202) 412-5212 cellular

Mark Heinrich
Managing Director
(202) 729-2130 office
(917) 208-1577 cellular



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Executive Summary



TAB 2 – EXECUTIVE SUMMARY

The A&M Team provides a distinct value proposition for the U.S. Communities Government Purchasing Alliance looking to implement innovative solutions, applications, products, and services. Our team has extensive experience providing our Government Efficiency and Performance Improvement (GEPI) services to public sector institutions across the country.

The A&M Team will bring to the U.S. Communities Government Purchasing Alliance:

- **An Unparalleled Team with Public Sector and Efficiency Experience:** Our team includes public sector leadership on the national and local level. The **Co-CEOs of A&M's Public Sector Practice**, Melissa Glynn and Mark Heinrich are joined by senior experts such as: John Cox, former **CFO of the U.S. Department of Housing and Urban Development**, Nancy Zielke, **CFO of Kansas City, Kansas** and **Interim Deputy CFO / Executive Director of Budget for Detroit Public Schools** and **past president of the Government Finance Officers Association (GFOA)**, and Basilia Yao, former **Chief Operating Officer, Office of Housing Recovery Operations in Mayor Bloomberg's office** and who served on the Los Angeles business team under former Los Angeles Mayor James K. Hahn.
- **Significant experience delivering government efficiency programs:** A&M has completed several top-to-bottom reviews of municipal spending and finances. Through our experience developing strategies across these state-wide, territory-wide, and city-wide programs, we have developed a broad-based set of services entitled Government Efficiency Performance Improvement (GEPI). The set of services enables us to bring the U.S. Community partner agencies an unparalleled technical approach for increasing savings, operational efficiencies, and revenue for general funds in the next budget cycle. We follow a four-step approach over a performance period to provide quality recommendations, design a detailed implementation plan, and work closely with the agencies to ensure its successful execution. Furthermore, A&M has taken interim and crisis management roles to provide short-term leadership to help drive the agency's mission. This leadership experience has cemented the value that we place on a collaborative work process and we will work closely with departmental employees to ensure our efforts from initial analysis through ultimate implementation do not interfere with critical services provided to citizens.





- **Willingness to stand behind our recommendations in a public forum:** A&M understands the challenges that state and local governments face in implementing suggested reforms. Our team has the technical knowledge and political expertise to guide strategic efficiency reforms through the legislative approval process. We are prepared to work side by side with department representatives, serving as strategic partners and advocates. ***We stand behind our recommendations, as demonstrated through testimonies in front of Legislatures and Boards (in states including Louisiana, Pennsylvania, South Carolina, and Maryland, as well as Washington, D.C.), and our willingness to make our deliverables public.***
- **Established reputation:** In the face of the largest, most complex international financial crisis in history, we were called in to manage Lehman Brothers through the largest bankruptcy in history, with \$650 billion in assets and a notional \$35 trillion in claims. Within one week, we had deployed a large, multi-disciplinary team and were able to develop a plan approved by 95 percent of the creditors.
- **Awards of Distinction:** A&M has received awards from the Turnaround Management Association in 2003, 2004, 2005, 2006, 2007, 2009, 2010, 2011 2012, and 2013, the Turnaround Award (2010) and the Turnaround Consulting Firm of the Year (2009) from the M&A Advisor.

A&M's experience working to improve the operations of numerous municipalities, as well as our significant experience leading municipalities through bankruptcy, provides an unparalleled perspective in identifying opportunities for increased savings, operational efficiencies, and revenue maximization for the U.S. Communities member agencies. A&M will go beyond providing recommendations, designing and implementing reforms that not only begin a conversation with the general public, but create a blueprint that will allow the agencies to continue aligning priorities with limited resources.





TAB 3 – OFFEROR PROFILE

Tony Alvarez II and Bryan P. Marsal founded Alvarez & Marsal (A&M) in 1983 when they seized the opportunity to provide radically different corporate advice and hands-on support geared toward organizations facing mission-critical operational and financial hurdles – situations demanding leadership, action, clarity, objectivity and results.

Combining their skills and experience in public accounting and financial turnaround environments, A&M's founders helped pave the way for what will soon become a specialty area in professional services: turnaround management, corporate restructuring, and operational performance improvement for companies and stakeholders. The first turnaround client of the firm was Timex Corporation, followed by a series of high-profile situations in which boards, investors, legal advisors, and management increasingly looked to A&M for advisory and crisis management services in troubled and underperforming situations.

In 2003, A&M launched a group specifically devoted to serving the unique needs of the public sector. A&M Public Sector Services, LLC, provides strategic financial management, crisis management, and performance improvement services to Federal, State, and Municipal governments. A&M has developed and refined a progressive, pragmatic, and forward-looking approach to addressing the unique issues facing the public sector. Our approach improving the operational and financial performance of privately-held and publicly-traded companies and more recently, public-sector organizations, has been honed over 30 years of experience.

Drawing on the firm's bias toward action and sense of urgency to preserve and maximize organization value; A&M provides world-class performance improvement, turnaround management, and corporate restructuring services in the private and public sectors, as well as multi-disciplinary industry expertise.

Currently, with over 2,500 employees in 45 cities across 18 countries on four continents, A&M has the depth and breadth to address the challenges that the U.S. Community agencies face through offering innovative approaches. In doing so, we emphasize solutions that achieve operational excellence through sound financial and strategic leadership; we are known for our distinctive hands-on approach and relentless focus on execution and results.

A&M has set the standard for working with organizations to solve complex problems, boost operating performance, and maximize value. The development and implementation of initiatives can be a critical factor in creating reforms and cost saving measures to help U.S. Community agencies drive operational efficiencies and meet obligations in tight budgetary environments. A&M's experience is centered on delivering efficiency solutions and is derived

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from performing restructuring and turnaround management engagements for large financial services institutions, corporations, and public sector organizations.

Unlike other traditional restructuring firms, we have a robust record working for the public sector, including helping 13 states lessen their financial burdens and using our unique restructuring experience to better allocate funding where it belongs – driving the mission. As a leading independent global professional services firm, we draw on our deep operational and turnaround heritage to help companies and government organizations improve operating and financial performance and navigate business, regulatory, and tax matters with speed, responsiveness, and unmatched quality.

The map below highlights our U.S. experience with public sector organizations.

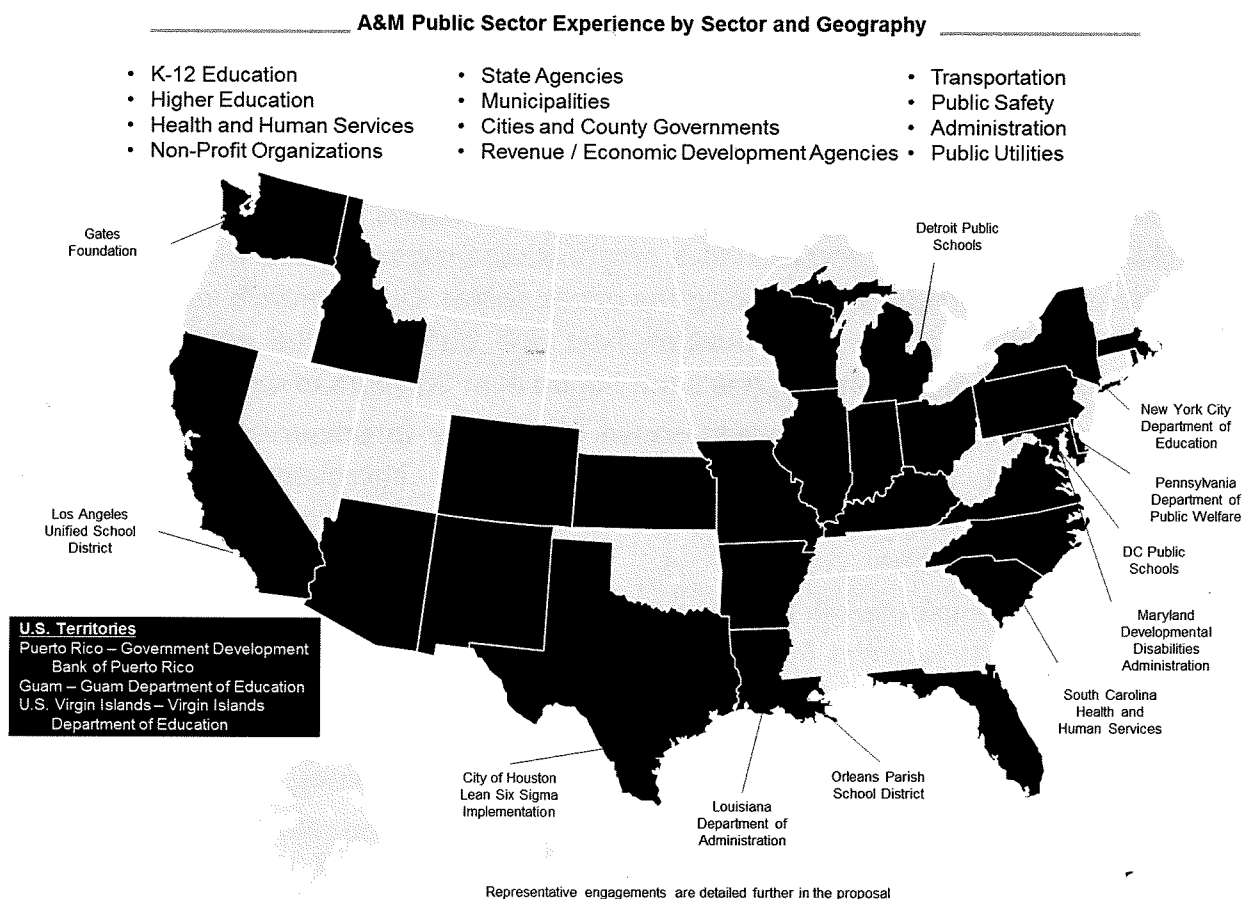


Figure 1: A&M Representative Client Experience Nationwide

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The firm has served in multiple interim management roles for major school districts across the country and as surge and interim CFO/Acting Director for four state Medicaid agencies. A&M performed **a baseline review of all spending for multiple states** (and found \$1.0 to 2.7 billion in potential savings by state), and in another, found a governor \$4.7 billion over five years in overhead savings in her state health plans, consistent with her policy goals and values. Moreover, our tax team has worked on a number of significant tax reform projects, both in the U.S. and abroad – in Australia, Greece, and numerous state governments domestically. Our experience has ranged from developing tax reform at the highest levels to providing short-term tactical improvements – all with the goal of enhancing, simplifying, and maximizing revenue opportunities.

Our strong operational heritage and hands-on-approach differentiates our program management. Our experienced professionals repeatedly tackle complex business issues to better serve our clients. A&M's long-standing history and proven track record of providing high-profile financial and business advisory services for public and private sector clients includes leading the world's largest financial and operational restructuring programs in history.

- Lehman Brothers
- Orleans Parish Schools
- Washington Mutual
- HealthSouth
- Arthur Andersen
- The *Los Angeles Times*

Recognized with awards of distinction by the Turnaround Management Association for five consecutive years, A&M has an unparalleled record providing restructuring and fiscal advisory services to public sector and private organizations. A&M has also received numerous accolades from the British Private Equity Awards, the M&A Advisor, and the Turnaround Atlas Awards, to name just a few, and has made the Vault Ranking Consulting Top 50 list since 2007.





In accordance with the RFP, enclosed please find the below profile of our organization.

ALVAREZ & MARSAL	INFORMATION TABLE
Name of firm submitting proposal	Alvarez & Marsal, Public Sector Services, LLC
Main office address, telephone number, fax number	555 13 th Street N.W. Suite 500 West Washington, DC 20004 Main: 202-729-2100 Fax: 202-729-2101
Primary contact email address and website address	jrust@alvarezandmarsal.com www.alvarezandmarsal.com
If a corporation, when and where incorporated	1983 in New York
List any dba's	N/A
List any appropriate federal, state and organization registration numbers	D-U-N-S NUMBER: 14-934-3563
Number of years in business	31
Total number of employees	Over 2,500





TAB 4 – OFFEROR METHODOLOGY AND INFORMATION

A&M has extensive experience in developing innovative strategies for government-wide policy, planning, and transformation initiatives and has done work for both state and local governments. Our team has deep experience conducting business reengineering efforts to generate operational efficiencies, support revenue maximization, and provide operational leadership. A&M commits to sharing our recent and ongoing expertise drawn from numerous private sector and municipal restructuring engagements to promote successful operational improvements by providing:

- Financial management and operational leadership resources to augment capabilities of government agencies
- Collaborative design of innovative strategies to improve the efficiency of government
- Definition, design, and implementation of public/private partnership models
- Independent progress validation of implemented policy, planning, and transformation initiatives
- Advisory services to achieve implementation of key reforms
- Other support as needed for the efficient allocation of general funds in the next budget cycle

Through these services, A&M will help the U.S. Communities partner agencies to drive operational efficiencies across departments, ensuring that the agency can provide the critical services its citizens require, at a price point that reflects the agency's revenue and budgeting realities.

Project Approach

Our standard approach starts with an assessment that is data-intensive and driven from the bottom up at each department. The length and structure of the approach is built from best practices from other work we have completed with municipalities that included an initial effort to focus on identifying the greatest impact areas and developing implementation-ready plans. We value very collaborative interactions which increase the quality of the analysis and the implementation plans – increasing their readiness and considering the complexities of change across agency-wide departments.

An overview of the tasks that A&M typically completes in each phase during the 120+-day timeline is below. The overall work will be divided into four, 30-day phases: kick-off and deep-

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diverge (with broad initial thoughts), expand opportunities, develop robust implementation plans, and execute changes. The A&M team will complete the review within 90-120 days, with the highlighted final phase commencing the execution phase.

A&M GOVERNMENT EFFICIENCY PERFORMANCE IMPROVEMENT APPROACH

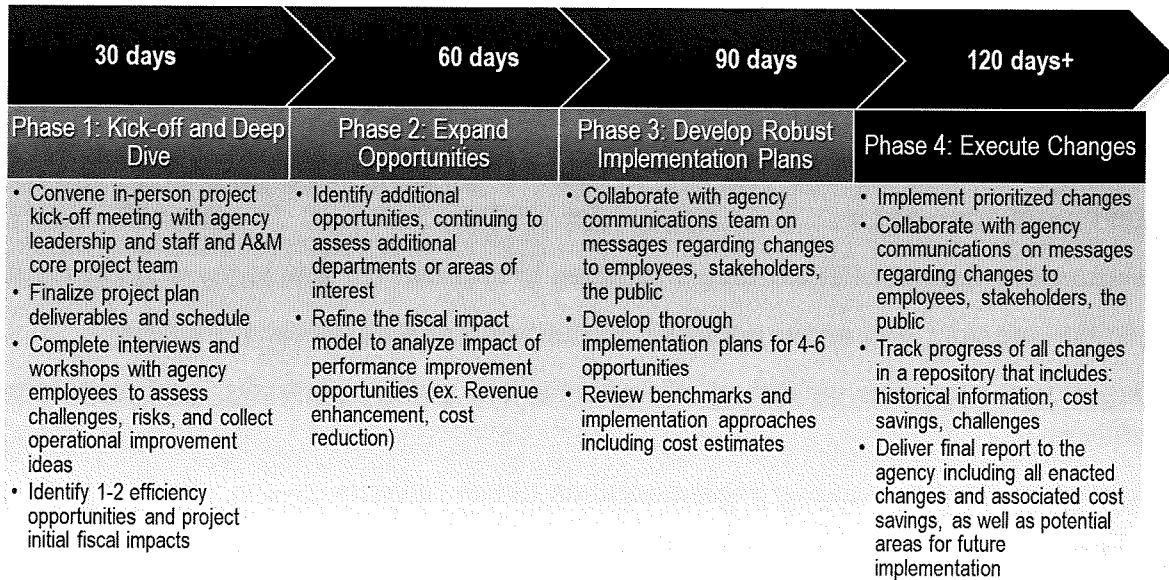


Figure 2: A&M's Project Approach

Phase 1: Kick-off and Deep Dive

The project planning phase is a critical step to set up the framework and processes for the project, and results in the completion of a comprehensive project plan aligned to stakeholder expectations. Immediately following the beginning of the project, the A&M team will convene a kick-off meeting with agency leadership and staff. During this kick-off meeting, we will review the terms, scope, and general timeframe of the contract. We will also use this opportunity to understand the risks and concerns from the agency's perspective on this engagement, identify sources of qualitative and quantitative information for initial budget and process analysis, and highlight additional key agency stakeholders to serve as resources for information. At the end





of the first 30 days, A&M will report potential opportunities for savings that have not been fully explored to identify targets for a “deeper dive”.

Analysis and Interviews

Once our team has all necessary data, we will quickly hit the ground to conduct interviews, pursue follow-up data collection, budget and spend analysis, and conduct critical reviews of operational efficiency efforts (current and planned). Our team will be cognizant of typical sources of department inefficiencies, such as over-staffing and incorrect deployment of current resources. During department visits, A&M will conduct appropriate business reengineering analyses, including assessment of department leadership, operations, citizen services, and revenue enhancement possibilities. A&M will conduct a preliminary assessment of the department and communicate the initial findings back to the agency, ensuring proper communication and redirection of effort as needed throughout the project.

Primary Service Offerings

A&M's comprehensive and innovative approach to government-wide analysis and our industry-based methodology for conducting program assessments is ideal for evaluating large-scale, cross-cutting government programs and projects both because we perform a detailed analysis into pure government financial management areas (i.e., Government Finance Officers Association) and are driven from our experience in interim management roles with various public sector agencies. Our technical approach builds on our decades of experience across government agencies to ensure the right people with the right expertise, methods, and tools provide the right solutions to meet the agency's goals.





GOVERNMENT EFFICIENCY PERFORMANCE IMPROVEMENT



Figure 3: Government Efficiency Performance Improvement Service Offerings

Government-Wide Assessment Capability Areas

Through our work over decades of performing government efficiency assignments, A&M has developed a broad based set of service offerings and sub-capability areas to drive efficiency into government programs. These offerings are designed around leadership and interim management work that we have performed, recognize the importance of citizen focused government, create both revenue and financial improvements, and create operational and spending efficiencies that use both public and private sector best practices.





GOVERNMENT EFFICIENCY PERFORMANCE IMPROVEMENT CAPABILITY AREAS

Leadership & Interim Management	Customer Focused Transformation	Revenue Maximization	Strategic Sourcing	Operational Efficiency	Capital Investment and Economic Development	Financial Management
<ul style="list-style-type: none">① Governance and policy development① Interim and crisis Management① Strategic planning① Institutional knowledge capture and dissemination① People development and deployment① Communications and change management① Audit response and remediation① Internal control assessments	<ul style="list-style-type: none">① Service catalog① Customer stakeholder engagement plan① Requirement development in support of citizen services① Development of efficient and effective service delivery models① Technology-driven customer service solutions① Voice of the citizen/citizen driven services	<ul style="list-style-type: none">① Revenue and taxation planning① Tax regime reform① Revenue maximization① Licensing & Fees① Advertising revenues	<ul style="list-style-type: none">① Strategic sourcing and procurement① Employee spend analysis① Healthcare and benefit cost analysis① Accountability / incentive structure① Privatization and outsourcing of services	<ul style="list-style-type: none">① Operational efficiency / cost reduction① Organizational design and human capital management① Process improvement① IT spend review① Benchmarking / performance measurement① Project & risk management① Shared services (HR, Finance, IT)① Facilities utilization strategy	<ul style="list-style-type: none">① Economic development / economic impact analysis① Public private partnerships① Capital investment① Alternative delivery of capital projects① Debt instruments & refinancing① Fund management① Surplus & asset disposition① Capital advisory	<ul style="list-style-type: none">① Federal funds management① Development of innovative resource allocation models① Billings and collections process improvement① Financial planning and budget operations

Figure 4: Government Efficiency Performance Improvement Service Areas

Our experience in these capability areas, along with benchmarking research has revealed that gaps in any one of these capabilities or inadequate coordination across capabilities can seriously impair efficient government operation. Our team will quickly drive toward recommendations leveraging a consistent and repeatable framework that provides a baseline to understand the complex interdependencies of an overall department or program management office. The combination of our expert consultants with years of experience in government and turnaround management utilizing the evaluation framework will enable us to generate findings and recommendations quickly, and will lay the foundation for successful implementation, operational support, and realization of savings and government-wide benefits.

Phase 2: Expand Opportunities

Following the kick-off and initial high-level assessment, A&M will identify areas for potential improvement and will conduct more detailed analyses in order to create specific recommendations for performance enhancement. These analyses will involve examining specific agency capabilities across departments and functions, providing visual interpretations of data, and combining the results with best practices from around the country to generate

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innovative solutions for the agency.

Analytical Components

A&M's toolbox for developing robust recommendations will include: our targeted capabilities in revenue-focused solutions, cost savings, and financing opportunities; the use of data visualization and analysis to depict the information gathered and the impact of changes; and our understanding of best practices and industry benchmarks that serve as finite goals to strive for. An overview of these A&M capabilities follows.

As we develop recommendations, we will continually raise ideas with the department teams in an iterative process, so that nothing in the final report is a surprise and that each aspect of the restructuring plan is something practical that the agency believes can be implemented.

Our Targeted Capabilities

Leadership & Interim Management

- **Governance and policy development:** Ensuring management and policy aligns with the needs and responsibilities within every department
- **Interim and crisis management:** Providing Interim and crisis management Internal and Risk Control Assessment and short term leadership to help drive the agency's mission
- **Strategic planning:** Devising the strategy and benchmarks to support meaningful, long-term change
- **Institutional knowledge capture and dissemination:** Review of the knowledge management function within and across agencies
- **People development and deployment:** Review of the training, employee development, and career progression
- **Communications and change management:** Smoothly transitioning leadership and staff into more effective, efficient operating methods
- **Audit response and remediation:** Assist local governments in the development of action plans/implementation strategies to address external audit report management
- **Internal control assessments:** Improve financial controls, financial reporting and cash management and eliminate the potential for fraud and abuse within government operations.

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**Customer
Focused
Transformation**

- **Service catalog:** Improve and/or expand the citizen services
- **Customer stakeholder engagement plan:** Development of plans for external customer and citizen focused engagement plans
- **Requirement development in support of citizen services:** Development of citizen and stakeholder survey's and focus group to prioritize the delivery of programs and services
- **Development of efficient and effective service delivery models:** Achieving the most operationally effective, top to bottom service delivery model
- **Technology-driven customer service solutions:** Examine current technology based service delivery models and develop functionally optimal improvements
- **Voice of the citizen/citizen driven services:** Using the viewpoint of the citizen, government services are examined with an eye for consumer service and relations

**Revenue
Maximization**

- **Revenue and taxation planning:** Development of revenue models and cash forecasting to determine ultimate revenue mix for governments
- **Tax regime reform:** Identify and implement tax strategies to maximize revenue without impacting economic growth
- **Revenue maximization:** Generating revenue from new or expanded revenue opportunities
- **Licensing & fees:** Assess usage fees (ex. transaction, subscription, registration, and licensing)
- **Advertising revenues:** Review of existing and potential advertising sources of revenue

**Strategic
Sourcing**

- **Strategic sourcing and procurement:** Analyze current spending on various categories of goods and services, identify the greatest opportunities to leverage the government purchasing power, and prioritize efforts to maximize achievable savings.
- **Employee spend analysis:** Review of employee personnel spending needs
- **Healthcare and benefit cost analysis:** Review of employee benefit spending (i.e., health/medical care, and pension costs, current and post-employment – OPEB)
- **Accountability / incentive structure:** Expand statistical monitoring programs like Citystat or CompStat across agency to increase

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operational efficiency and organizational effectiveness

- **Privatization and outsourcing of services:** Identification and transfer or disposition of services and assets that are not critical to the mission of the public sector enterprise

Operational Efficiency

- **Operational efficiency / cost reduction:** Evaluate cost drivers and structure to reduce costs and focus spending in a strategic manner
- **Organizational design and human capital management:** Analyze the size, composition, and structure of the agency's workforce and create any necessary right-sizing recommendations
- **Process Improvement:** Eliminate process and organizational inefficiencies that create bottlenecks and unnecessary costs
- **IT spend review:** Utilize metrics to create effective performance measures for relevant teams and assets
- **Benchmarking / performance measurement:** Benchmark key performance metrics related to agency employees, assets, and service provisions against other cities to gauge the effectiveness and efficiency of current operational resources
- **Project & risk management:** Review of the executive project management and risk management functions
- **Shared services (HR, Finance, IT):** Examine opportunities for shared services and outsourcing of administrative functions
- **Facilities utilization strategy:** Reduce occupancy cost and increase space efficiency through spatial consolidation, lower space use standards, and monetization of underutilized facilities

Capital Investment and Economic Development

- **Economic development / economic impact analysis:** Assessing and executing development/ redevelopment opportunities that generate new local and state revenues and create jobs
- **Public private partnerships:** Develop and structure public private partnerships
- **Capital investment:** Assessing local infrastructure requirements to support local service needs and development requirements
- **Alternative delivery of capital projects:** Assessing and executing public-private partnerships, alternative financing, and other risk-sharing methods for financing and delivering capital improvement projects that would otherwise be unobtainable by municipalities
- **Debt instruments & refinancing:** Understand bondholders' needs and create recommendations that if implemented will lead to rapid

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improvement in credit position

- **Fund Management (i.e., working capital):** Review credit, collections, cash application, accounts payable, and treasury to reduce the advance of working capital
- **Surplus & asset disposition:** Monetize owned real property and seized assets through strategic dispositions
- **Capital Advisory:** Advise organization on financing structures, refinancing and recapitalization alternatives

Financial Management

- **Federal funds management:** Generating revenue from new or expanded revenue opportunities and ensuring compliance with grants requirements
- **Development of innovative resource allocation models:** Develop interactive budget forecast models and resource allocation models based on defined cost drivers and revenue inputs
- **Billings and collections process improvement:** Improve collection rates for taxes and other fees
- **Financial planning and budget operations:** Create in-depth analysis of current and past budgets, structural deficits, and generate interactive financial projections to empower leadership and policymakers

Data Visualization and Analysis

A&M uses data visualization analytics to highlight the relationship of costs to outcomes. This capability accelerates resource mapping and resource alignment activities by providing clear visual displays of data. Typical data analysis views will include:

- **Personnel Costs:** Leveling distribution across management to staff ratios, supervisory to non-supervisory management ratios, changes in full time equivalents (FTE) allocation by organization.
- **Acquisition:** Contracts, purchase orders, bank card purchases, inter-agency agreements, spend by category, organization, trends related to relevant areas of spending.
- **Administrative Services:** Costs and shifts in expenditures, FTE, admin systems, admin contracts,

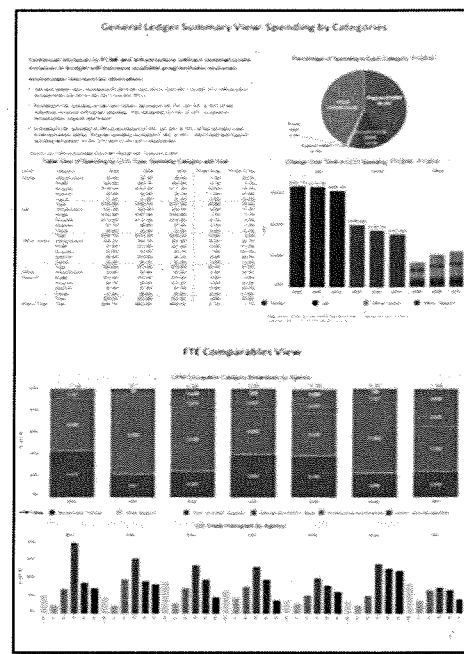


Figure 5: A&M's Analytic Dashboard

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ratios of admin staff to mission staff and changes over time across organizations/sub organizations.

- **Real Estate/Facilities:** Spending by major and remote site, average square foot by FTE and composition of spend by site, utilities, leases, repair, operations and maintenance, and contracts.

Best Practices and Benchmarks

A&M's recommendations will also be driven from the best practices and benchmarks that we have developed from the public and private sectors and that have helped to guide many of our clients. These benchmarks may include the average service cost per person or timeframe for a specific process, and will help us to compare the agency's baseline with government agencies' averages and industry-leading examples. A&M will draw from previous engagements as well as the knowledge of industry experts.

In addition to the quantitative analysis, the A&M team will also complete a combination of interviews and workshops across different departments and functions to identify additional opportunity areas. These conversations will be led by senior members of the A&M team who are experienced with probing leadership and staff, understand the functional requirements for the department, and can envision opportunities for improvement.

Candid conversations with staff-level employees at an organization are invaluable to an efficiencies study by pointing out the biggest barriers to change, whether they are people, process, or technology. For example, during our engagement with the Commonwealth of Pennsylvania's Department of Public Welfare, the A&M team worked closely with regional staff members to identify operational obstacles not evident in standard reports that were causing significant cost increases and helped to implement cost saving process improvements to the Medicaid service delivery system with their help. The interviews and workshops with staff will also serve as an initial forum for employees to bring ideas for the agency to improve performance and to refine the image of the current state.

Delivering Results

A&M draws on a wide range of subject matter expertise as a part of its diverse client offerings and capabilities. As a result, the A&M team has the ability to leverage a broad capability assessment framework that includes many deliverable offerings falling under the sectors of client services, revenue and finance, operational management, and leadership and governance.

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Reporting and Recommendations

After department visits and analysis, potential efficiencies will be identified and the initial efficiency assessment methodology will be updated to incorporate newly identified efficiencies. Critical to the development of a working efficiency analysis model is A&M and the agency's agreement on a specific output for the efficiency analysis report. A&M can tailor its reporting methodology to take into account priorities and focus on specific department operations that the team feels that delivers the most value to the department's ability to function effectively.

Once the efficiency hypotheses have been assessed, A&M will investigate the effects on the department's operations as well as those of the agency. We will work to identify solutions to correct inefficiencies and improve department operations. The goal of A&M's Efficiency Assessment is to ensure the agency's departments operate in the most effective manner possible, ensuring that the agency can provide the critical services its citizens require at a price point that reflects the agency's revenue and budgeting realities.

Interim Status Report

At the conclusion of this phase, we will deliver a working report to the agency that summarizes our initial findings and opportunities, highlighting the departments and programs with the highest spend, as well as programs that have overlapping or duplicative services. We will also provide initial fiscal projections that reflect the estimated impact of the changes. Our recommendations in the report will focus on the most immediate and impactful changes that can be implemented with the agency in Phase 4.

Phase 3: Develop Robust Implementation Plans

After A&M reports on the opportunities for improvement to the agency and the respective department, A&M will set up a meeting to discuss which efficiency solutions to pursue and jointly establish the scope of implementation to resolve inefficiencies. This will ensure that A&M's planned implementation strategy will meet the agency and department's needs and timeline.

We will focus our efforts on two distinct types of solutions: 1) High-Value, Short-Term Initiatives and 2) Foundational, Long-Term Initiatives. This dual concentration will ensure that A&M is setting the departments up for success to meet immediate and future needs. Relying on our extensive human capital management, project management, financial management, cost allocation, strategic sourcing, policy analysis, change management, asset management, and organizational redesign capabilities, our team will implement identified solutions. During this

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phase, we will also work closely with department staff to ensure that changes will have minimal impact on the department's day-to-day operations during the implementation process. A&M will schedule weekly meetings with the agency project director and, at her discretion, critical agency and department staff to provide updates on implementation status, tasks completed; tasks delayed, and planned tasks for the next scheduled week.

Tracking Recommendations

Throughout Phase 3, we will begin to draft our recommended changes in alignment with the agency's requirements. In Phase 3, we will begin using a detailed repository to track a particular recommendation to the root issue or source. Initially, we will also develop high level cost estimates, timeframes, internal and external resources needed, as well as projected savings. A sample structure of an initial recommendation repository with data elements is below.

Recommendation Repository – Potential Data Elements

Issue/Source	Recommendation	Implementation Cost and Timelines	Risks	Resource Requirements	Industry Benchmarks	Estimated Cost Savings and Time to Realize
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Figure 6: Recommendation Tracking

Phase 4: Execute Changes

Once planned and prioritized, in Phase 4 the A&M team will initiate the implementation of changes developed in the first 90 days to begin realizing savings. Realistically, implementation plans and programs may require a timeline beyond the 120-day period of performance envisioned in this effort. Yet, these initial execution efforts will focus on working with agency personnel to move changes ahead quickly working through technology systems and data access. This period will jumpstart efforts to realize impacts quickly and with impact.

As we refine our recommendations and begin moving to the implementation phase, the A&M team will transition to a more rigorous management of proposed initiatives. This will include:

- Establishing metrics to measure the success of each initiative recommended, to be displayed in a **project metrics dashboard**;





- **Project work plan** that details the work breakdown structure tasks (WBS) for each initiative, including dependences, dates, task owners, and current status;
- Estimating **project budget** and **resource management** in each assessment/plan that highlights both the impact to agency costs and projected savings, as well as the resources that will be required to complete each initiative.

Information about proposed changes will be reflected in these three different areas, with the project metrics dashboard also providing a summary view. The thoroughness of tracking and documenting the background, implementation, and resulting success of initiatives will allow the agency to track final recommendations back to the original quantitative or qualitative data.

Performance Measures

A&M's recommendation, based upon prior experience as interim leaders, is to establish performance measures during the project in concert with the project management function. Additionally, as part of development of the cost savings opportunities, measures including, but not limited to, potential savings and ease of implementation, implementation risk, and timeliness will be reviewed.

Issues and Concerns

Based upon our prior experience in similar programs, the following represent critical success factors which impact the ability to rapidly make progress and deliver impactful results:

- **Data availability and accessibility.** This is the greatest potential impediment to executing the work methodology. The teams need to be able to access data in timely fashion and be granted appropriate access to systems.
- **Government single point of contact.** A common theme across our most successful efforts has been the ability to align efforts with a government leader who is committed to the effort and is invigorated by the potential to unlock value and savings across programs, unwind policies, and potentially expensive programs.

Conclusion

At the conclusion of the project, A&M will deliver to the agency final reports and an appended complete repository of recommendations during presentations to agency leadership and staff. These final presentations will cover the work completed to date and reveal more prioritized

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recommendations for the agency to implement beyond the conclusion of the initial contract period.

We will have tracked the cost savings of improvements that have already been implemented and will provide the agency a cumulative cost savings estimate of implemented recommendations at the conclusion of the contract period. Prior to delivering the report, draft versions of the recommendations in the report will have been reviewed and developed alongside leadership and staff. We will also work alongside staff to transfer ownership and knowledge to the appropriate individuals to continue the change processes in future years.

Our goal at A&M is not only to help organizations discover the areas for change and enact those changes but also to set up the structure for sustaining future change. For the agency, we will strive for the final recommendations report and the complete repository of recommendations to be a living document, one that begins a conversation with the general public and serves as a blueprint for the agency to continue aligning priorities with limited resources. By improving the performance of existing programs, the U.S. Communities partner agencies can enhance and spur innovation by freeing up revenues to be used for other priorities or new programs.



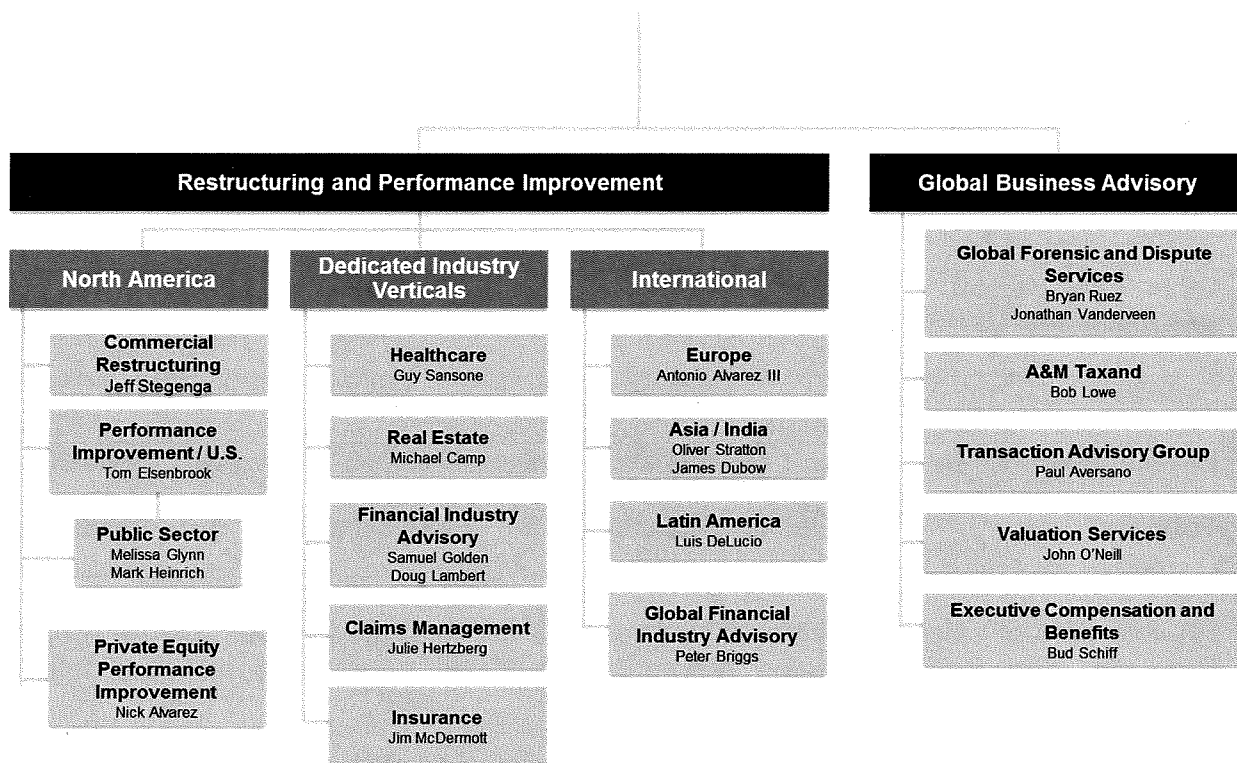


Company

1. Provide an organizational chart of your company.

A&M Holdings includes a number of subsidiaries and operating entities as depicted in the chart below. Our Public Sector Practice, is led by Melissa Glynn and Mark Heinrich, and is reports up to our U.S. Performance Improvement team, providing us access to hundreds of firm leaders and staff nationwide.

A&M HOLDINGS



2. If a start-up company, provide resumes for all start-up Founders.

This is not applicable, as A&M has been operating for over 30 years with in excess of \$100 million in annual sales.





3. Provide company annual sales for 2011, 2012 and 2013 in the United States; sales reporting should be segmented into the following categories:

SUPPLIER ANNUAL SALES IN THE UNITED STATE FOR 2011, 2012, AND 2013			
Segment	2011 Sales	2012 Sales	2013 Sales
Cities	\$ 562,837	\$ 2,622,788	\$ 3,007,793
Counties	\$ 119,052	\$ 46,602	\$ 202,845
K-12 (Public / Private)	\$ 9,343,275	\$ 10,460,289	\$ 8,301,191
Higher Education (Public / Private)	\$ 328,880	\$ 387,241	\$ 430,062
States	\$ 2,247,396	\$ 13,530,703	\$ 6,378,901
Other Public Sector and Nonprofits	\$ 7,762,813	\$ 11,466,651	\$ 15,460,817
Federal	\$ 1,251,253	\$ 1,067,513	\$ 218,371
Private Sector	\$ 699,384,495	\$ 747,718,213	\$ 841,900,021
Total	\$ 721,000,000	\$ 787,300,000	\$ 875,900,000

4. Provide annual sales for 2011, 2012 and 2013 in the United States for the proposed Products, and Services; sales reporting should be segmented into the following categories.

SUPPLIER ANNUAL SALES IN THE UNITED STATE FOR 2011, 2012, AND 2013			
Segment	2011 Sales	2012 Sales	2013 Sales
Cities	\$ 506,553	\$ 2,360,509	\$ 2,707,013
Counties	\$ 101,194	\$ 39,612	\$ 172,418
K-12 (Public / Private)	\$ 8,595,813	\$ 9,623,466	\$ 7,637,096
Higher Education (Public / Private)	\$ 289,414	\$ 340,772	\$ 378,454

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States	\$ 2,135,026	\$ 12,854,167	\$ 6,059,956
Other Public Sector and Nonprofits	\$ 5,822,110	\$ 8,599,988	\$ 11,595,613
Federal	\$ 713,214	\$ 608,482	\$ 124,471
Private Sector	\$ 6,993,845	\$ 7,477,182	\$ 8,419,000
Total	\$ 25,157,169	\$ 41,904,180	\$ 37,094,022

5. Provide projected sales for 2014, 2015 and 2016 in the United States for the proposed Products, and Services; sales reporting should be segmented into the following categories:

SUPPLIER PROJECTED SALES IN THE UNITED STATE FOR 2014, 2015, & 2016			
Segment	2014 Sales	2015 Sales	2016 Sales
Cities	\$ 3,113,065	\$ 3,673,417	\$ 4,261,164
Counties	\$ 198,280	\$ 233,971	\$ 271,406
K-12 (Public / Private)	\$ 8,782,660	\$ 10,363,539	\$ 12,021,705
Higher Education (Public / Private)	\$ 435,222	\$ 513,562	\$ 595,732
States	\$ 6,968,950	\$ 8,223,360	\$ 9,539,098
Other Public Sector and Nonprofits	\$ 13,334,954	\$ 15,735,246	\$ 18,252,886
Federal	\$ 143,142	\$ 168,908	\$ 195,933
Private Sector	\$ 9,681,850	\$ 11,424,583	\$ 13,252,517
Total	\$ 42,658,125	\$ 50,336,587	\$ 58,390,441

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6. Describe any current or expected funding outside of revenue from customers.

We do not anticipate any funding outside of revenue from customers.

7. Submit your current Federal Identification Number and latest Dun & Bradstreet report.

TIN: 20-1113970 (Dunn & Bradstreet Report attached in Tab 7 Appendix B)

8. Provide the total number and location of sales persons employed by your company in the United States that would sell the Products and Services.

See the chart below.

A&M Office Information			
Offices	Address	Total Employees	Sales Capacity
New York	600 Madison Avenue 8th floor New York, NY 10022	300	28
Atlanta	3424 Peachtree Road Suite 1500 Atlanta, GA 30326	152	22
Birmingham	Urban Center 1400 Urban Center Drive Suite 375 Birmingham, AL 35242	5	0
Boston	Two Liberty Square Suite 300 Boston, MA 02109	17	0
Charlotte	112 South Tryon Street Floor 17 Charlotte, NC 28284	9	0
Chicago	55 West Monroe Suite 4000 Chicago, IL 60603	233	19
Dallas	2100 Ross Avenue 21st Floor Dallas, TX 75201	156	11
Denver	707 17th Street Suite 2125 Denver, CO 80202	30	3
Detroit	1000 Town Center Suite 750 Southfield, MI 48075	10	0

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El Segundo	2321 Rosecrans Avenue, Suite 4205 El Segundo, CA 90245	9	0
Greenwich-CP	289 Greenwich Ave, 2nd Floor Greenwich, CT 06830	12	0
Greenwich-ECB	2 Greenwich Office Park Building 2, Suite 400B Greenwich, CT 06831	15	0
Houston	700 Louisiana Street Suite 900 Houston, TX 77002	251	32
Kansas City	1100 Walnut, Suite 2970 Kansas City, MO 64106	8	1
Los Angeles	2029 Century Park East Suite 2060 Los Angeles, CA 90067	62	9
Miami	Two Alhambra Plaza Suite 1101 Coral Gables, FL 33134	63	2
Nashville	4017 Hillsboro Pike Suite 402 Nashville, TN 37215	11	0
Philadelphia	1760 Market Street Suite 706 Philadelphia, PA 19103	16	0
Phoenix	One East Washington Street Suite 1850 Phoenix, AZ 85004	14	0
San Antonio	777 E. Sonterra Blvd. Suite 310 San Antonio, TX 78258	16	6
San Francisco	100 Pine Street Suite 900 San Francisco, CA 94111	158	18
Seattle	1201 Third Avenue Suite 800 Seattle, WA 98101	63	11
Washington, DC	555 Thirteenth Street NW 5th Floor West Washington, DC 20004	99	12

9. Provide the number and address locations of offices and/or support centers.

See the chart below.

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Offices	Address	Total Employees
New York	600 Madison Avenue 8th floor New York, NY 10022	300
Atlanta	3424 Peachtree Road Suite 1500 Atlanta, GA 30326	152
Birmingham	Urban Center 1400 Urban Center Drive Suite 375 Birmingham, AL 35242	5
Boston	Two Liberty Square Suite 300 Boston, MA 02109	17
Calgary	Bow Valley Square I Suite 570, 202 - 6th Avenue SW Calgary, AB T2P 2R9	11
Charlotte	112 South Tryon Street Floor 17 Charlotte, NC 28284	9
Chicago	55 West Monroe Suite 4000 Chicago, IL 60603	233
Dallas	2100 Ross Avenue 21st Floor Dallas, TX 75201	156
Denver	707 17th Street Suite 2125 Denver, CO 80202	30
Detroit	1000 Town Center Suite 750 Southfield, MI 48075	10
El Segundo	2321 Rosecrans Avenue, Suite 4205 El Segundo, CA 90245	9
Greenwich-CP	289 Greenwich Ave, 2nd Floor Greenwich, CT 06830	12
Greenwich-ECB	2 Greenwich Office Park Building 2, Suite 400B Greenwich, CT 06831	15
Houston	700 Louisiana Street Suite 900 Houston, TX 77002	251
Kansas City	1100 Walnut, Suite 2970 Kansas City, MO 64106	8
Los Angeles	2029 Century Park East Suite 2060 Los Angeles, CA 90067	62

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Miami	Two Alhambra Plaza Suite 1101 Coral Gables,, FL 33134	63
Nashville	4017 Hillsboro Pike Suite 402 Nashville, TN 37215	11
Philadelphia	1760 Market Street Suite 706 Philadelphia, PA 19103	16
Phoenix	One East Washington Street Suite 1850 Phoenix, AZ 85004	14
San Antonio	777 E. Sonterra Blvd. Suite 310 San Antonio, TX 78258	16
San Francisco	100 Pine Street Suite 900 San Francisco, CA 94111	158
Seattle	1201 Third Avenue Suite 800 Seattle, WA 98101	63
Toronto	Royal Bank Plaza, South Tower 200 Bay Street, Suite 2900 P.O. Box 22 Toronto, ON M5J 2J1	25
Vancouver	400 Burrard Street Suite 1680, Commerce Place Vancouver, BC V6C 3A6	7
Washington,DC	555 Thirteenth Street NW 5th Floor West Washington, DC 20004	99
London	One Finsbury Circus 1st Floor London, EC2M 7EB	256
Athens	50, Agiou Konstantinou Street, Maroussi Athens, 151 24	11
Amsterdam	WTC H-Tower, 14th Floor Zuidplein Amsterdam, 118 10 77 XV	0
Dubai	P.O. Box Box 506729 Gate Precinct 3, Level 5, 505B Dubai, UAE	15
Madrid	Velázquez, 17 – 2º D (2nd Floor) Madrid, 28001	8
Milan	Piazzale Luigi Cadorna, 4 Milano, 20123	23
Moscow	2nd Floor, 14/2, Sadovnicheskaya Street Moscow, 115035	27

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Munich	Thierschplatz 6 D-80538 München,	80
Paris	24, rue Royale 4th Floor 75008 Paris,	21
Warsaw	Pl. Trzech Krzyzy 3 Warszawa, 00-535	10
Sao Paulo	Ed. Igarassu Rua Surubim, 577 - 9º andar Sao Paulo, SP 04571-050	64
Mexico City	Montes Urales III Montes Urales No. 505 Colonia Lomas de Chapultepec, D.F. 11000	14
Hong Kong	Rooms 1101-3 11/F MassMutual Tower 38 Gloucester Rd Wanchai, Hong Kong	23
Beijing	Unit 1118-21, 11F China World Office 1 No. 1 Jianguomenwai Avenue, Chaoyang Dis Beijing, P.R. China 100004	8
Shanghai	Unit 2331-2, Level 23, Five Corporate AvNo.150 Hubin Road, Huangpu District Shanghai 200021,, People's Republic of China	11
Mumbai	Ashford Centre, 7th Floor Shankarrao Naram Marg Opp. Peninsula Corporate Park Lower Parel, Mumbai – 400 013	71

10. Provide a list of your company's ten largest customers that have utilized the Products and Services proposed.

- Orleans Parish School District
- New York City Department of Education
- Government Development Bank of Puerto Rico
- Guam Department of Education
- US Virgin Islands
- Pennsylvania Department of Public Welfare
- Detroit Public Schools
- Maryland Developmental Disabilities Administration
- Louisiana Department of Administration
- DC Public Schools

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11. Describe your company's experience in working with public agency customers. If applicable, provide a list of your company's ten largest public agency customers that have utilized the Products and Services proposed.

A&M has a dedicated business unit, Public Sector Services, which is focused on serving federal, state, municipal, public schools, not for profit, and other associated organizations. The business unit was established in 2003 to focus on the unique requirements of this sector including contract compliance, marketing, solution development and solutions customization. The largest public sector clients are identified above.

Representative Engagements

Our work is highly accretive to the agencies that we support, with benefits that outweigh the costs by hundreds or thousands of percent. The Return On Investments (ROIs) for our projects are exemplified by the full scale transformations that occurred within Louisiana and the Commonwealth of Puerto Rico, where we delivered 5000% to 10,000%+ return on investment through the identification of billions of dollars of savings on our multi-million dollar implementation efforts.

A list of our representative Government Efficiency Performance Improvement assignments is provided in the table below.





GOVERNMENT EFFICIENCY PERFORMANCE IMPROVEMENT REPRESENTATIVE ENGAGEMENTS

Public Agency	A&M Role	Results
NYC Department of Education	Interim Management and Strategic Advisory	<ul style="list-style-type: none"> Identified and implemented \$290 million in recurring cost savings while creating streamlined and efficient administrative support structures Created a sustainable new funding model for schools that more equitably distributed resources based upon student needs
Guam Department of Education	Third Party Fiduciary Agent	<ul style="list-style-type: none"> Successfully stood up an ERP system to draw down federal funds Drafted the CCAP through creation of gap analysis of processes against EDGAR and local requirements Revised procurement processes to increase efficiency and compliance
Detroit Public Schools	Interim Management for Special Education	<ul style="list-style-type: none"> Developed five-year financial plan to curtail a \$305 million legacy deficit Recommended operating reductions including streamlining departments and improving internal budget processes. Over a two year period, A&M assisted DPS with implementation of \$53 million in cost savings, while achieving unprecedented levels of compliance with Special Education requirements.
Orleans Parish School District	Interim Management	<ul style="list-style-type: none"> Established financial controls allowing Parish to meet all obligations, avoid bankruptcy and return to solvency, obtained its first clean audit in many years. Post-Katrina developed a shared service model using experienced providers in key areas such as transportation, information technology, food, and maintenance to both public and charter schools. Post-Katrina recovered \$30 million from private insurers, obtained \$30 million in funding from community disaster relief organizations and \$102 million from the federal government.
Los Angeles Unified School District	Strategic Advisory Services	<ul style="list-style-type: none"> Identified cost savings that yielded over \$33 million through operational efficiencies Developed long-term budget forecasting tool and assessed overall strategic process of Budgeting for Student Achievement
Gates Foundation	Program Management Services	<ul style="list-style-type: none"> Provided leadership and program management across several reform projects. Efforts have impacted over 70 different grants, improved ability of investments to scale and commercialize by aligning major initiatives, saved significant grant funds through reducing redundancies and enabling efficient grant allocations, accelerated timelines through resolving ambiguity and providing guidance and tools to convert strategies to tangible results.
State of Louisiana – Department of Administration	Led the Government Efficiency Management Support (GEMS) Program	<ul style="list-style-type: none"> Developed nine cabinet agency-wide plans to identify revenue enhancement and cost savings Identified \$2.7B in savings over the five year implementation period
Fairfax County, VA	Public-Private Real Estate Advisory Services	<ul style="list-style-type: none"> Provided research, analysis and negotiation of transactions involving the use, sale, or redevelopment of three County-owned properties.
Commonwealth of Puerto Rico	Led assessment of operational efficiency and financial performance	<ul style="list-style-type: none"> Identified additional \$500M in new revenue for the Commonwealth Developed recommendations to reduce costs by \$195M across territory run hospital facilities, police department and K-12 public schools
Pennsylvania Department of Public Welfare	Financial advisory	<ul style="list-style-type: none"> Developed new processes and practices around fiscal controls, rate analysis and fiscal regulations, recovering over \$50M in Medicaid funds Developed negotiating strategy to manage provider appeals resulting in favorable settlements and avoidance of unnecessary litigation costs.
Maryland Developmental Disabilities Administration	Interim Financial Management and financial re-engineering services	<ul style="list-style-type: none"> Developed recommendations for new financial systems and new financial platform
South Carolina Health and Human Services	Interim Financial Management and financial re-engineering services	<ul style="list-style-type: none"> Created performance-based budgeting approach using data, analytics and modeling Identified operational cost savings, developed cash flow, budget and financial models and implemented new organizational structure for finance and administration.

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Distribution of Products

A&M has the ability to provide professional services nationwide through our distributed corporate locations or through corporate travel as necessary. A&M does not currently offer products for distribution. Therefore, the questions under the "Distribution of Products" section of this proposal are not applicable.

Marketing

A&M was initially established as a boutique firm headquartered in New York City in 1983 with a core team of experienced operational leaders. Building upon initial success, the firm has driven a strong growth trajectory since 1999. Growth as identified in the figure below has consisted of service expansion and increasing the diversity of offerings, headcount to 2,500, and offices now in 45 locations in 18 countries. In the United States, A&M's span is nationwide. From the New York City headquarters, offices are located in major metropolitan markets: Atlanta, Birmingham, Boston, Charlotte, Chicago, Dallas, Denver, Detroit, El Segundo, Greenwich, Houston, Kansas City, Los Angeles, Miami, Nashville, Philadelphia, Phoenix, San Antonio, San Francisco, Seattle, and Washington, D.C.

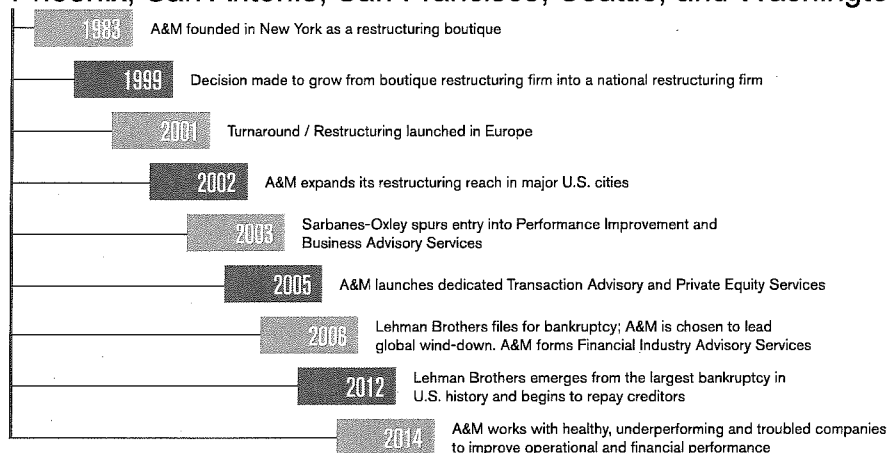


Figure 7: A&M's Growth Trajectory

A&M for three decades has set the standard for working with organizations to tackle complex business issues, boost operating performance and maximize citizen value. A&M delivers performance improvement, corporate and public sector restructuring, interim management and business advisory services to organizations seeking to improve resource management, innovative delivery strategies, grow and manage change. Fiscal pressures continue to drive to make government more effective and efficient for its taxpayers, demonstrating commitment to principles of good governance. Year after year, agencies and organizations have sought ways to reduce costs and improve processes while preserving a high level of service. We understand that as organizations continue to make tough funding choices for programs in the future, it is also important to stay fresh and innovative in identifying additional efficiencies and

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streamlining existing programs and provide new strategies to invest in delivery and infrastructure improvements. Our professionals offer unique perspectives as they partner with clients to implement sustainable solutions based prior and current leadership responsibilities for large scale programs, challenging assignments, and transformation efforts. Our willingness to take on leadership responsibilities for public agencies is unique in the market and differentiates solutions and services. A&M's professionals approach client settings as if we own the issues even when we are not called upon to provide leadership. Our track record has delivered unparalleled results in cost savings, value to citizens, revenue enhancement, and increased compliance with federal regulations.

This sales strategy complements our strategy of engaging the public sector market. A&M's overarching public sector strategy consists of the following elements:

- Issue advocacy
- Engagement with national leadership
- Technical and solution development
- Internal professional development

Issue advocacy

A&M aims to provide technical perspectives to support innovative approaches to addressing critical issues facing public officials. Drawing upon the firm's unique heritage as a corporate restructuring firm, solutions focus on identifying and unlocking value including asset management strategies, delivery of citizen services, investment in infrastructure development and service delivery through public/private partnerships. A&M leaders participate in conferences, author whitepapers, contribute to key publications, partner with media outlets and industry groups. Key channels include, but are not limited to, Governing Magazine, the Government Financial Officers Association, the National Urban League, the National Association of Medicaid Directors, Foundation for Excellence in Education, and Bond Buyer.

Engagement with national leadership

A&M representatives typically participate in associations of governors, mayors, county executives, educators, and city executives in order to understand critical issues and requirements.

Technical and solution development

The technical approach and methodologies A&M develops and offers are informed and shaped based upon engagement with public sector leaders and drawing upon internal expertise.



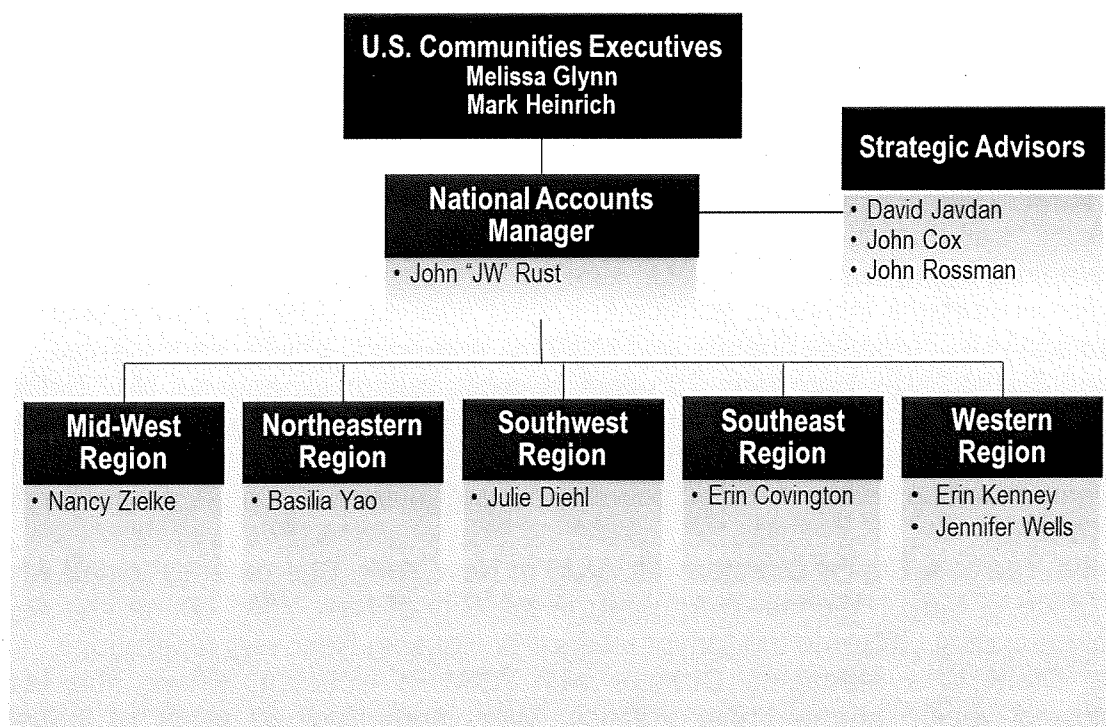


Internal professional development

A&M invests in providing internal and external training to our solution practitioners to increase skills and tools available in delivering client engagements. Additionally internal training is provided to align with the firm's values – ethics, code of conduct, etc. Internal training initially delivered face-to-face and then via webinar will educate our U.S. based team on how to leverage the US Communities Master Agreement.

Sales Strategy

A&M will establish a national network anchored by leaders in each U.S. office organized through a regional strategy as identified in the graphic below.



Responsible for developing regional marketing plans and coordinating with the national accounts manager and the program executives, the leaders will responsible for targeting and connecting with potential clients. Targeting strategies are developed through analysis of prior and current projects/sales, major issues affecting the market base, and solution alignment with those issues. The team identified will provide leadership and sales and delivery execution for the US Communities Innovation program:





- **Melissa Glynn**, Co-leader of A&M Public Sector Services with over 22 years of experience providing consulting solutions and transformative results for Federal, State, education and nonprofit clients. She has primarily focuses on transformation of social services with a background that includes leadership of academic research programs.
- **Mark Heinrich**, Admiral (retired) is Co-leader of A&M Public Sector Services with over 30 years of visionary leadership and executive experience. His broad knowledge in operations, logistics and supply chain management was honed leading organizations that ranged in size from 90-member teams to corporate business units with over 25,000 employees.
- **John Cox**, Managing Director and lead for Health and Human Services solutions. John is the former CFO of the U.S. Department of Housing and Urban Development
- **David Javdan**, Former General Counsel of the U.S. Small Business Administration and insurance regulatory attorney. David provides strategic advice to government clients and private equity firms.
- **John Rossman**, a Managing Director providing leadership for digital strategy and customer centric services. He recently published, *The Amazon Way*, the 14 leadership principles that drive the disruptive retailer.
- **JW Rust**, Senior Director and National Account Manager has 20 years of financial services, transformation, and consulting experience. Mr. Rust has led state-wide government improvement initiatives, and he has specialized expertise across several functional domains including economic impact analysis, portfolio management, citizen value analysis, corporate finance and strategy, and public-private partnerships.
- **Nancy Zielke**, With more than 25 years of public sector experience, Ms. Zielke brings deep expertise in government budgeting and financial applications; operational and performance improvement strategies; privatization and outsourcing opportunities; and strategic planning within complex government organizations. She is a past president of the GFOA.
- **Basilia Yao** is a Senior Director with A&M in New York. She recently joined A&M from the Office of Mayor Michael Bloomberg in the City of New York, where she served as Chief Operating Officer in the Mayor's Office of Housing Recovery Operations
- **Julie Diehl** is a Managing Director with A&M in Houston, where she leads the Southwest region supply chain practice. With more than 20 years of industry and consulting experience, Ms. Diehl brings deep expertise in developing strategies and leading teams to streamline and optimize supply chain operations.
- **Erin Covington** is a Senior Director with A&M in Washington, DC. She previously served as Chief Financial Officer for Friendship Public Charter Schools and Deputy Chief Restructuring Officer for Finance for the New York City Department of Education. She brings deep expertise in the K-12 education sector helping to drive increased student achievement through improved resource allocation and more effective service delivery models.
- **Erin Kenney** is a Senior Director focused on innovative solutions for nonprofit clients.

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- **Jennifer Wells** is a Senior Director and business improvement leader focused on strategy definition, current state assessments and recommendations, complex planning and implementation management. Consistent demonstrated ability to delight a variety of clients by addressing their overt as well as their systemic challenges.

Full resumes for these professionals are provided in Tab 10.

Sales enablers

Our national sales approach will be further enabled through our firm's investment in technology including Salesforce which is the leading customer relationship management tool. A&M's implementation of the technology realizes goal setting through improving sales tracking, teaming across sales leaders and transparency to support reporting of trends, investment management and training.

Additionally, A&M has recently completed a firm-wide deployment of a new secure file sharing tool, Intralinks VIA. This new tool facilitates the secure storing of "work in process" documents, as well as the sharing of documents with project team members and / or designated third parties. This capability facilitates safe and secure sharing of documentation, presentations, marketing materials, and engagement delivery materials.

Contract management and compliance

As part of the sales strategy, A&M leaders identify the most appropriate procurement strategy to meet the needs of the client and the solution being proposed. The Master Agreement offers flexibility beyond those of other contracting vehicles available so it will be prominently featured.

As part of the management process for public sector agreements and contracting vehicles, A&M administrative personnel execute the following:

- Contract pricing and negotiation
- Task order pricing and negotiation
- Task order oversight
- Data and security compliance
- Expense compliance
- Document management and destruction compliance
- Invoicing
- Close out procedures





Products, Services and Solutions

There three overarching trends that we have seen for some time in the performance improvement industry are the need for increased leadership experience, increased specialization, and increased operational experience. We believe that we have been and continue to be well positioned to take advantage of these industry changes, as evidenced by our firm's increasing growth rate in the past 10 to 15 years. A&M's services fall under the consulting and professional services product category in paragraph 3 of the RFP, in a sub category Government Efficiency and Performance Improvement. With that said, as part of our efficiency reviews we typically make recommendations that include both technology / e-government and public private partnership recommendations to help drive citizen services in the most cost effective manner possible.

The interim management and innovative solutions that we develop for our clients under this service offering are a direct extension of our broader commercial restructuring and performance improvement services provided across the commercial sector, and leverage our company's core strength, which is our operational heritage. As government efficiency and performance improvement continues to evolve and improve, so does our service offering. We are constantly on the lookout for better ways of delivering government services, and will share these ideas and capabilities both internally and across our government clients.

Quality

A&M's quality control and self-inspection responsibilities are managed by our U.S. Communities Executive Leadership Team and the Program Manager (PM) of each job. The PM is assisted in this responsibility by A&M Senior-Level Professionals, Strategic Advisors and SMEs, who will support the compliance of our work with technical, regulatory, and contract requirements. The PM coordinates the documentation of outcomes from each review and is responsible for organizing the flow of feedback and the initiation of process improvement changes with the A&M Team.

The quality review process will be overseen by our Public Sector and U.S. Communities Leadership Team, Dr. Melissa Glynn and Mark Heinrich. Their focus will be the implementation of processes that assert internal and external consistency and validation.

The A&M PM will develop a schedule for each work stream and will assess delivery risk. The review activities will extend from the project staff through to project manager leadership. Each reviewer will use A&M's standard quality metrics, as well as a deliverable-specific quality checklist to review each selected deliverable. The quality checklist will define the standards

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and specifications for the deliverable. Each reviewer will document their evaluation as well as any anecdotal feedback to improve this and future deliverables. Based upon the outcomes of the review, the Project Manager will produce a consolidated evaluation to guide improvements to the document. The PM will meet with project staff to review the feedback and make changes.

For each deliverable, the assigned team and the Departmental PM will develop an outline for that deliverable. This outline is developed using the methods, tools, and templates that comprise the quality baseline. We further establish that the content reflects the requirements and specifications identified by the agency point of contact. The Departmental PM reviews the outline with the task PM prior to initiating work on the deliverable. Once the outline is approved, the project staff initiates development of a first draft. The draft is escalated to the task lead for review and revisions are made by the delivery team. The multiple reviews promote the highest level of quality.

Once a draft deliverable is completed, it is provided to the agency point of contact. The agency point of contact has a time period previously agreed upon with A&M's Project Manager to review the deliverable and provide feedback to the Departmental Project Manager. The Departmental Project Manager will take the feedback back to the project staff in order to initiate revisions and finalization; however, if feedback from the agency point of contact indicates the need for significant changes in quality or team processes, the PM will initiate the process improvement steps. The final deliverable will be provided after comments are received from the agency point of contact.

Figure 8 provides an overview of our strategic approach to the quality control of deliverables. Staff at six levels, from Project Staff to Project Executive, play a critical role in identifying risk, managing internal and external consistency, and ensuring all deliverables meet agreed upon standards. A&M's thorough quality control process will ensure that our team provides Fairfax County with the timely, implementable efficiency recommendations.



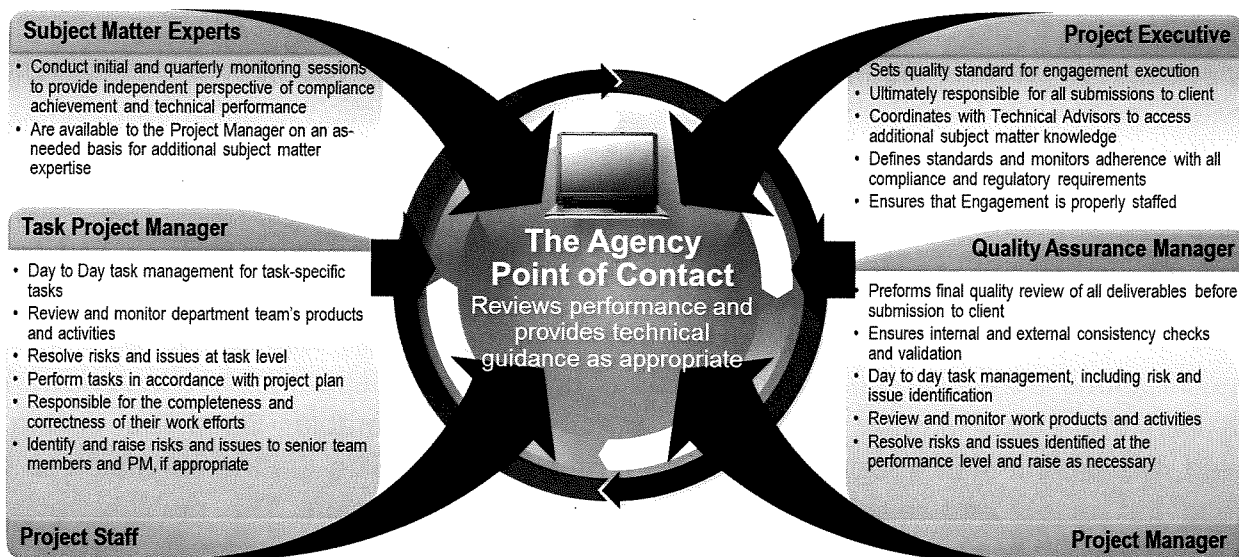


Figure 8: Quality Control of Task Deliverables

Risk Management Plan and Procedures

Central to our project management approach for deliverables with differing work priorities and short deadlines is continuous risk management. All projects have risks; however, successful projects are those that can effectively manage and mitigate risks before they inhibit project success. It is critical that A&M's risk management process supports the timely identification of potential problems in order to mitigate impacts to the project's objectives, timeline, or cost. Furthermore, as risks are identified and quantified, and mitigation plans are established, the PM will incorporate risk mitigation plans into task order project plans. Our risk management process comprises five interrelated phases that will be performed throughout the project's life cycle and supported by strong communications within and between our team and the agency point of contact. A risk is processed through these phases sequentially, and each phase is performed as part of an ongoing process to identify new or emerging threats to the project's success. Open communication is essential to effective risk management. The objectives of open, effective communication are to:

- Facilitate the continuous identification of project risks by all project stakeholders;
- Make certain that the agency point of contact and A&M professionals understand all project risks, their potential impacts, and mitigation alternatives;
- Provide the agency and A&M teams with sufficient data to make decisions; and

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- Foster teamwork and joint ownership of risk.

A&M will follow a six-step process to identify and mitigate risks:

1. **Risk Management Planning** – A&M will systematically create an approach to execute risk management activities throughout the life of the project. The approach will be custom designed and specifically address initially identified risks and any future risks to the project's success. The intention of the plan will be to increase positive outcomes and minimize or eliminate the consequences of adverse risk events.
2. **Identify Risk Events** – A&M will determine which risks might affect the project and will document their characteristics. The project team will organize a risk assessment process with the agency's staff to ensure all perspectives are represented and all risks are captured and evaluated at the beginning and throughout the project.
3. **Qualitative Risk Analysis** – A&M will qualitatively analyze risk to assess the impact and likelihood of the identified risks and develop prioritized lists of these risks for further analysis or direct mitigation. The team will assess each identified risk for its probability of occurrence and its impact on project objectives. This will be accomplished using the impact and likelihood matrix shown below and will be used to provide an overall rating to the risk. Project teams may elicit assistance from subject matter experts or functional units to assess the risks in their respective fields.





Probability	80-100%					High
	60-80%					
	40-60%			Medium		
	20-40%					
	0-20%	Low				
		1- Negligible	2- Low	3- Medium	4- High	5- Critical
		Impact				

Figure 9: Impact and Likelihood Matrix

4. **Quantitative Risk Analysis** – A&M will quantitatively analyze risks to numerically estimate the impact on the project's ability to meet its cost and time objectives. The quantitative analysis will be based on a simultaneous evaluation of the impacts of all identified and quantified risks.
5. **Risk Response Planning** – A&M will develop a risk response strategy by developing mitigation strategies and determining actions to either enhance opportunities or reduce threats to the project's objectives. We will identify and assign parties to take responsibility for each risk response to ensure each response has a clear owner. The project team will identify which strategy is best for each risk, and will then select specific actions to implement that strategy.
6. **Risk Monitoring & Control** – A&M will monitor and control identified risks, and identify new risks as they arise – ensuring the execution of risk plans, and evaluating their effectiveness in reducing risk. Risk Monitoring and Control is an ongoing process for the life of the project.





The purpose of A&M's risk management processes is to identify potential problems before they occur, so that risk-handling activities may be planned and invoked as needed across the project life to mitigate adverse impacts to projects.

One of A&M's core values is quality. We put a premium on world-class quality people and quality work with a bias to action and delivery of value. Our quality control process is designed to prevent problems from arising in the first place, and we are committed to delivering zero-defect services to our clients.

Administration

Our administrative contract award processes utilize broad scale Blanket Purchase Agreement (BPA) and Indefinite Delivery Indefinite Quantity (IDIQ) structures similar to the U.S. Communities program. In addition to agency specific contract vehicles, A&M participates in multiple GSA schedules (FABS and MOBIS), and we have participated in the Pennsylvania ITQ and Texas Deliverables Based Information Technology Services (DBITS) multi-state cooperative purchasing programs. On these broader multi-state and task order vehicles, we generally establish contracts with the participating agency based on the overriding Master Services Agreement. The scope of services that A&M provides is agreed upon in concert with the agency point of contact and will be tailored to the agency's needs.

When A&M's point of contact on the operations team receives a new work order, that person will notify A&M's finance team and produce a new project code. That code will be used to track all project invoices and a billing schedule will be created. As deliverables are created, the A&M point of contact will deliver invoices to the agency point of contact on the pre-arranged billing schedule. A&M often bills clients on a monthly basis and can provide a monthly sales report under the Master Agreement by Participating Public Agency within each U.S. state. The use of our project-based, labor hour accounting system enable us to report monthly sales under the Master Agreement by Participating Public Agency within each U.S. state.

Due to the nature of our work, the acceptance of ecommerce and procurement card orders is atypical; however, A&M has the ability to process orders for new work under the Master Agreement via phone or email. Orders will be processed through our account team staff, and we have the ability to accept procurement cards issued from banks affiliated with Visa, MasterCard, or American Express.

National Staffing Plan

Our national staffing plan is structured to scale with the volume of work being performed through the U.S. Communities purchasing alliance. We will use a regional structure for the

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U.S. Communities to allow for proper coverage, and we will be able to tap into both our U.S. based Performance Improvement team as well as the overall A&M to enable access to the nearly 2,500 staff. Our U.S. Communities program is led by the co-leads of our public sector practice, Melissa Glynn and Mark Heinrich, and we have assigned a national account manager, John Rust, to take responsible for the implementation period, and new supplier implementation checklist. Furthermore, our account leadership will have access to the corporate headquarters and marketing department to leverage as needed.

Our account leadership including the U.S. Communities Executives and National Account Manager will be available with corporate support upon award and throughout the life of the contract. As the U.S. Communities new supplier checklist and implementation period winds down and the sales training ramps up, our account teams will be engaged in the sales training process and will begin marketing efforts to promote the U.S. Communities program throughout the life of the contract. The table of staff commitments is show below.

U.S. Communities Staff	Role	Marketing Support	Client Billable Assignments	Timeline for Involvement
Melissa Glynn, Managing Director	U.S. Communities Executive	10-15%	Up to 50%	Upon award and throughout the life of the contract
Mark Heinrich, Managing Director	U.S. Communities Executive	10-15%	Up to 50%	Upon award and throughout the life of the contract
John Cox, Managing Director	Strategic Advisor	10-15%	Up to 50%	From sales training through the life of the contract
David Javdan, Managing Director	Strategic Advisor	20-30%	Up to 50%	From sales training through the life of the contract
John Rossman, Managing Director	Strategic Advisor	10-15%	Up to 50%	From sales training through the life of the contract
JW Rust, Senior Director	National Account Manager	40-50%	Up to 100%	Upon award and throughout the life of the contract
Nancy Zielke, Senior Director	Mid-West Regional Lead	10-15%	Up to 100%	From sales training through the life of the contract
Basiliao Yao, Senior Director	Northeastern Regional Lead	10-15%	Up to 100%	From sales training through the life of the contract
Julie Diehl, Managing Director	Southwest Regional Lead	10-15%	Up to 100%	From sales training through the life of the contract
Erin Covington, Senior Director	Southeast Regional Lead	10-15%	Up to 100%	From sales training through the life of the contract
Erin Kenney, Senior Director	Western Regional co-Lead	10-15%	Up to 100%	From sales training through the life of the contract
Jennifer Wells, Senior Director	Western Regional co-Lead	10-15%	Up to 100%	From sales training through the life of the contract

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Environmental

A&M is conscious of the importance of environmental protection and has woven these principles into our purchasing and leasing habits, as well as office culture. Twelve of A&M's U.S. offices, more than half, are LEED certified, most at the Gold or Platinum levels. Additionally, business purchases are often environmentally sensitive. For example, A&M copy paper is Forest Stewardship Council certified and the firm utilizes multifunction devices to save energy. In addition to purchasing practices, A&M promotes a culture that is friendly to the environment. Printers are set to provide double sided documents as a default; paper, glass, and aluminum are recycled; and business unit teams share periodicals to reduce paper consumption.

As an advisory services firm, A&M does not manufacture products, and thus does not contemplate production processes, the sustainability of source materials, or the recyclability of our offerings.





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TAB 5 – OFFEROR QUALIFICATIONS

SUPPLIER QUALIFICATIONS AND SUPPLIER INFORMATION COMMITMENTS

To ensure that Alvarez & Marsal (“Supplier”) is providing the highest level of public benefit to the U.S. Communities Participating Public Agencies (“Public Agencies”), we are making the four commitments set forth below (Corporate, Pricing, Economy, Sales):

Corporate Commitment

1. The pricing, terms and conditions of the Master Agreement shall, at all times, be Supplier's primary contractual offering of Products and Services to Public Agencies. All of Supplier's direct and indirect marketing and sales efforts to Public Agencies shall demonstrate that the Master Agreement is Supplier's primary offering and not just one of Supplier's contract options.
2. Supplier's sales force (including inside, direct and/or authorized dealers, distributors and representatives) shall always present the Master Agreement when marketing Products or Services to Public Agencies.
3. Supplier shall advise all Public Agencies that are existing customers of Supplier as to the pricing and other value offered through the Master Agreement.
4. Upon authorization by a Public Agency, Supplier shall transition such Public Agency to the pricing, terms and conditions of the Master Agreement.
5. Supplier shall ensure that the U.S. Communities program and the Master Agreement are actively supported by Supplier's senior executive management.
6. Supplier shall provide a national/senior management level representative with the authority and responsibility to ensure that the Supplier's Commitments are maintained at all times. Supplier shall also designate a lead referral contact person who shall be responsible for receiving communications from U.S. Communities concerning new Participating Public Agency registrations and for ensuring timely follow-up by Supplier's staff to requests for contact from Participating Public Agencies. Supplier shall also provide the personnel necessary to implement and support a supplier-based internet web page dedicated to Supplier's U.S. Communities program and linked to U.S. Communities' website and shall implement and support such web page.
7. Supplier shall demonstrate in its procurement solicitation response and throughout the term of the Master Agreement that national/senior management fully supports the U.S. Communities program and its commitments and requirements. National/Senior management is defined as the executive(s) with companywide authority.
8. Where Supplier has an existing contract for Products and Services with a state, Supplier shall notify the state of the Master Agreement and transition the state to the pricing,

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terms and conditions of the Master Agreement upon the state's request. Regardless of whether the state decides to transition to the Master Agreement, Supplier shall primarily offer the Master Agreement to all Public Agencies located within the state.

Pricing Commitment.

1. Supplier represents to U.S. Communities that the pricing offered under the Master Agreement is the lowest overall available pricing (net to purchaser) on Products and Services that it offers to Public Agencies. Supplier's pricing shall be evaluated on either an overall project basis or the Public Agency's actual usage for more frequently purchased Products and Services.
2. Contracts Offering Lower Prices. If a pre-existing contract and/or a Public Agency's unique buying pattern provide one or more Public Agencies a lower price than that offered under the Master Agreement, Supplier shall match that lower pricing under the Master Agreement and inform the eligible Public Agencies that the lower pricing is available under the Master Agreement. If an eligible Public Agency requests to be transitioned to the Master Agreement, Supplier shall do so and report the Public Agency's purchases made under the Master Agreement going forward. The price match only applies to the eligible Public Agencies.
3. Supplier's Options in Responding to a Third Party Procurement Solicitation. While it is the objective of U.S. Communities to encourage Public Agencies to piggyback on to the Master Agreement rather than issue their own procurement solicitations, U.S. Communities recognizes that for various reasons some Public Agencies will issue their own solicitations. The following options are available to Supplier when responding to a Public Agency solicitation:
 - a. Supplier may opt not to respond to the procurement solicitation. Supplier may make the Master Agreement available to the Public Agency as a comparison to its solicitation responses.
 - b. Supplier may respond with the pricing, terms and conditions of the Master Agreement. If Supplier is awarded the contract, the sales would be reported as sales under the Master Agreement.
 - c. If competitive conditions require pricing lower than the standard Master Agreement pricing, Supplier may submit lower pricing through the Master Agreement. If Supplier is awarded the contract, the sales would be reported as sales under the Master Agreement. Supplier would not be required to extend the lower price to other Public Agencies.
 - d. Supplier may respond to the procurement solicitation with pricing that is higher (net to buyer) than the pricing offered under the Master Agreement. If awarded a contract, Supplier shall still be bound by all obligations set forth in this Section 3.3, including, without limitation, the requirement to continue to advise the

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awarding Public Agency of the pricing, terms and conditions of the Master Agreement.

- e. Supplier may respond to the procurement solicitation with pricing that is higher (net to buyer) than the pricing offered under the Master Agreement and if an alternative response is permitted, Supplier may offer the pricing under the Master Agreement as an alternative for consideration.

Economy Commitment.

Supplier shall demonstrate the benefits, including the pricing advantage, of the Master Agreement over alternative options, including competitive solicitation pricing and shall proactively offer the terms and pricing under the Master Agreement to Public Agencies as a more effective alternative to the cost and time associated with such alternate bids and solicitations.

Sales Commitment.

Supplier shall market the Master Agreement through Supplier's sales force or dealer network that is properly trained, engaged and committed to offering the Master Agreement as Supplier's primary offering to Public Agencies. Supplier's sales force compensation and incentives shall be greater than or equal to the compensation and incentives earned under other contracts to Public Agencies.

1. Supplier Sales. Supplier shall be responsible for proactive direct sales of Supplier's Products and Services to Public Agencies and the timely follow-up to sales leads identified by U.S. Communities. Use of product catalogs, targeted advertising, direct mail and other sales initiatives are encouraged. All of Supplier's sales materials targeted towards Public Agencies shall include the U.S. Communities logo. U.S. Communities hereby grants to Supplier, during the term of this Innovation Agreement, a non-exclusive, revocable, nontransferable, license to use the U.S. Communities name, trademark, and logo solely to perform its obligations under this Innovation Agreement, and for no other purpose. Any goodwill, rights, or benefits derived from Supplier's use of the U.S. Communities name, trademark, or logo shall inure to the benefit of U.S. Communities. U.S. Communities shall provide Supplier with its logo and the standards to be employed in the use of the logo. During the term of the Innovation Agreement, Supplier grants to U.S. Communities an express license to reproduce and use Supplier's name and logo in connection with the advertising, marketing and promotion of the Master Agreement to Public Agencies. Supplier shall assist U.S. Communities by providing camera-ready logos and by participating in related trade shows and

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- conferences. At a minimum, Supplier's sales initiatives shall communicate that (i) the Master Agreement was competitively solicited by the Lead Public Agency, (ii) the Master Agreement provides the best government pricing, (iii) there is no cost to Participating Public Agencies, and (iv) the Master Agreement is a non-exclusive contract.
2. Branding and Logo Compliance. Supplier shall be responsible for complying with the U.S. Communities branding and logo standards and guidelines. Prior to use by Supplier, all U.S. Communities related marketing material must be submitted to U.S. Communities for review and approval.
 3. Sales Force Training. Supplier shall train its national sales force on the Master Agreement and U.S. Communities program. U.S. Communities shall be available to train regional or district managers and generally assist with the education of sales personnel.
 4. Participating Public Agency Access. Supplier shall establish the following communication links to facilitate customer access and communication:
 - a. A dedicated U.S. Communities internet web-based homepage containing:
 - i. U.S. Communities standard logo with Founding Co-Sponsors logos;
 - ii. Copy of original procurement solicitation;
 - iii. Copy of Master Agreement including any amendments;
 - iv. Summary of Products and Services pricing;
 - v. Electronic link to U.S. Communities' online registration page; and
 - vi. Other promotional material as requested by U.S. Communities.
 - b. A dedicated toll-free national hotline for inquiries regarding U.S. Communities.
 - c. A dedicated email address for general inquiries in the following format: uscommunities@alvarezandmarsal.com.
 5. Electronic Registration. Supplier shall be responsible for ensuring that each Public Agency has completed U.S. Communities' online registration process prior to processing the Public Agency's first sales order.
 6. Supplier's Performance Review. Upon request by U.S. Communities, Supplier shall participate in a performance review meeting with U.S. Communities to evaluate Supplier's performance of the covenants set forth in this Innovation Agreement.
 7. Supplier Content. Supplier may, from time to time, provide certain graphics, media, and other content to U.S. Communities (collectively "Supplier Content") for use on U.S. Communities websites and for general marketing and publicity purposes. Supplier hereby grants to U.S. Communities and its affiliates a non-exclusive, worldwide, perpetual, free, transferrable, license to reproduce, modify, distribute, publically perform, publically display, and use Supplier Content in connection with U.S. Communities websites and for general marketing and publicity purposes, with the right to sublicense each and every such right. Supplier warrants that: (a) Supplier is the owner of or otherwise has the unrestricted right to grant the rights in and to Supplier Content as contemplated hereunder; and (b) the use of Supplier Content and any other materials or

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services provided to U.S. Communities as contemplated hereunder will not violate, infringe, or misappropriate the intellectual property rights or other rights of any third party.





SUPPLIER WORKSHEET FOR NATIONAL PROGRAM CONSIDERATION

Enclosed please find our responses to each of the provided qualification statements.

A. State if pricing for all Products, Services and Solutions offered will be the most competitive pricing offered by your organization to Participating Public Agencies nationally.

YES ☒ NO ☐

B. Does your company have the ability to provide service to any Participating Public Agencies in the contiguous 48 states, and the ability to deliver service in Alaska and Hawaii?

YES ☒ *NO ☐

(*If no, identify the states where you have the ability to provide service to Participating Public Agencies.)

C. Does your company have a national sales force, dealer network or distributor with the ability to call on Participating Public Agencies in at least 25 U.S. states?

YES ☒ *NO ☐

(*If no, identify the states where you have the ability to provide service to Participating Public Agencies.)

D. Check which applies for your company sales last year in the United States:

☐ Sales between \$0 and \$1,000,000

☐ Sales between \$1,000,001 and \$5,000,000

☐ Sales between \$5,000,001 and \$10,000,000

☐ Sales between \$10,000,001 and \$25,000,000

☐ Sales between \$25,000,001 and \$50,000,000

☒ Sales greater than \$50,000,001

E. Does your company have existing capacity to provide electronic and ecommerce ordering and billing?

YES ☒ NO ☐

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F. Will your company assign a dedicated Senior Management level Account Manager to support the resulting U.S. Communities program contract?

YES ☒ NO ☐

G. Does your company agree to respond to all agency referrals from U.S. Communities within 2 business days?

YES ☒ NO ☐

H. Does your company maintain records of your overall Participating Public Agencies' sales that you can and will share with U.S. Communities to monitor program implementation progress?

YES ☒ NO ☐

I. Will your company commit to the following program implementation schedule?

YES ☒ NO ☐

J. Will the U.S. Communities program contract be your lead public offering to Participating Public Agencies?

YES ☒ NO ☐

Submitted by:

Melissa Glynn *Melissa Glynn*

Managing Director December 2, 2014





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Financial Statements



TAB 6 – FINANCIAL STATEMENTS

As a privately owned firm, A&M's policy is to maintain confidentiality and therefore not to make financial information publicly available. Therefore, our financial statements have been submitted in a separate confidential package.





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Appendix B Documents



TAB 7 – APPENDIX B DOCUMENTS

- Offeror Data Sheet
- Virginia State Corporation Commission Registration Information
- Business, Professional and Occupational License
- Certification Regarding Debarment or Suspension
- Business Classification
- Dunn and Bradstreet report for Alvarez & Marsal Public Sector Services, LLC





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OFFEROR DATA SHEET

NAME OF OFFEROR: Alvarez & Marsal Public Sector Services, LLC

ADDRESS: 555 Thirteenth St NW, 5th Floor West
Washington, DC 20004

E-MAIL ADDRESS: mglynn@alvarezandmarsal.com

Name and e-mail addresses of both service and fiscal representatives (Key Personnel) who would handle this account.

Service Representative: Melissa Glynn
Telephone Number: (202) 412-5212
E-Mail Address: mglynn@alvarezandmarsal.com

Fiscal Representative: Asta Roques
Telephone Number: (202) 688-4271
E-Mail Address: aroques@alvarezandmarsal.com

Payment Address, if different from above:

600 Madison Avenue, 8th Floor
New York, NY 10022

Fairfax County Bidder/Supplier Number:

1500037679

VIRGINIA STATE CORPORATION COMMISSION (SCC)
REGISTRATION INFORMATION

The bidder:

☒ is a corporation or other business entity with the following SCC identification number:
T0437428 **-OR-**

☐ is not a corporation, limited liability company, limited partnership, registered limited liability partnership, or business trust **-OR-**

☐ is an out-of-state business entity that does not regularly and continuously maintain as part of its ordinary and customary business any employees, agents, offices, facilities, or inventories in Virginia (not counting any employees or agents in Virginia who merely solicit orders that require acceptance outside Virginia before they become contracts, and not counting any incidental presence of the bidder in Virginia that is needed in order to assemble, maintain, and repair goods in accordance with the contracts by which such goods were sold and shipped into Virginia from bidder's out-of-state location) **-OR-**

☐ is an out-of-state business entity that is including with this bid/proposal an opinion of legal counsel which accurately and completely discloses the undersigned bidder's current contacts with Virginia and describes why those contacts do not constitute the transaction of business in Virginia within the meaning of § 13.1-757 or other similar provisions in Titles 13.1 or 50 of the Code of Virginia.

Please check the following box if you have not checked any of the foregoing options but currently have pending before the SCC an application for authority to transact business in the Commonwealth of Virginia and wish to be considered for a waiver to allow you to submit the SCC identification number after the due date for bids: ☐

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE

All firms located or operating in Fairfax County must obtain a Business, Professional and Occupational License (BPOL) as required by Chapter 4, Article 7, of the Code of the County of Fairfax, Virginia. In order for the Department of Tax Administration to determine your BPOL requirement prior to contract award, it is necessary for you to provide the following information:

- If you currently have a Fairfax County business license, please submit a copy with your proposal.
- Do you have an office in: Virginia ☐ Yes ☒ No
 Fairfax County ☐ Yes ☒ No
- Date business began/will begin work in Fairfax County

A detailed description of the business activity that will take place in Fairfax County. If business is located outside of Fairfax County, give the percentage of work actually to be done in the County

A+M anticipates work to commence before April 1 2015.
The actual effort to be performed in Fairfax County
is dependent upon staffing requirements but is
expected to be less than 15% of the total
effort given office locations in Washington DC.

Melissa Gomez
Signature

12/1/14
Date

Complete and return this form or a copy of your current Fairfax County Business License with your proposal.

CERTIFICATION REGARDING DEBARMENT OR SUSPENSION

In compliance with contracts and grants agreements applicable under the U.S. Federal Awards Program, the following certification is required by all offerors submitting a proposal in response to this Request for Proposal:

1. The Offeror certifies, to the best of its knowledge and belief, that neither the Offeror nor its Principals are suspended, debarred, proposed for debarment, or declared ineligible for the award of contracts from the United States federal government procurement or nonprocurement programs, or are listed in the *List of Parties Excluded from Federal Procurement and Nonprocurement Programs* issued by the General Services Administration.
2. "Principals," for the purposes of this certification, means officers, directors, owners, partners, and persons having primary management or supervisory responsibilities within a business entity (e.g., general manager, plant manager, head of a subsidiary, division, or business segment, and similar positions).
3. The Offeror shall provide immediate written notice to the Fairfax County Purchasing Agent if, at any time prior to award, the Offeror learns that this certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. This certification is a material representation of fact upon which reliance will be placed when making the award. If it is later determined that the Offeror rendered an erroneous certification, in addition to other remedies available to Fairfax County government, the Fairfax County Purchasing Agent may terminate the contract resulting from this solicitation for default.

Printed Name of Representative: Melissa Glynn, Managing Director

Signature/Date:

 12/11/14

Company Name: Alvarez & Marsal Public Sector Services, LLC

Address: 555 Thirteenth St, NW, 5th Floor West

City/State/Zip: Washington, DC 20004

SSN or TIN No: 20-1113970



COUNTY OF FAIRFAX
DEPARTMENT OF PURCHASING & SUPPLY MANAGEMENT
SMALL AND MINORITY BUSINESS ENTERPRISE PROGRAM
12000 Government Center Parkway, Suite 427
Fairfax, Virginia 22035-0013
Fax: 703-324-3228

SUBCONTRACTOR (S) NOTIFICATION FORM

Contract Number/Title: Innovative Solutions, Applications, Products and Services RFP
Prime Contractors Name: Alvarez & Marsal Public Sector Services, LLC
Prime Contractor's Classification: Large

You are required to provide the County with names, addresses, anticipated dollar amount and small/minority classification of each first-tier subcontractor (ref. paragraph 28, Special Provisions). Please complete this form and return it with your submission.

Please check here if you are not using a subcontractor: X

SUBCONTRACTOR(S) NAME	STREET ADDRESS	CITY	STATE	ZIP CODE	ANTICIPATED DOLLAR AMOUNT	VENDOR CLASSIFICATION

Complete and return this form with your proposal.



DNBi®

Printed By: ROB WILSON

Date Printed: November 24, 2014

Live Report : ALVAREZ & MARSAL PUBLIC SECTOR SERVICES, LLC

D-U-N-S® Number: 14-934-3563

Trade Names: No trade names for this company.

D&B Address

Address 600 Madison Ave 8th Fl
New York, NY - 10022

Phone 212 759-4433

Fax

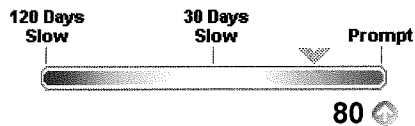
Location Type Single Location

Web

Company Summary

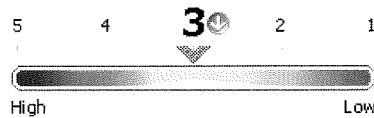
Trade Payments - Timeliness of Historical Payments

When weighted by amount, Payments to suppliers average generally within terms



This assessment is based on D&Bs 12-month PAYDEX® Score

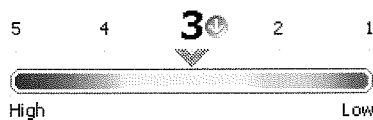
Predictive Indicators - Risk of Payment Delinquency



This assessment is based on D&Bs Commercial Credit Score.

Predictive Indicators - Risk of Financial Stress

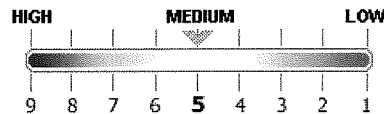
Medium risk of severe financial stress over the next 12 months.



This assessment is based on D&Bs Financial Stress Score

Predictive Indicators - Supplier Evaluation Risk

Moderate risk of supplier experiencing severe financial stress over the next 12 months.



This assessment is based on D&Bs Supplier Evaluation Risk Rating

History & Operations

This is a single location

Chief Executive	BRYAN MARSAL, MNG MBR
Year Started	2003
Employees	21
Financing	SECURED
SIC	8742
Line of business	Management consulting services
NAICS	541611

D&B RATING : 1R3

Number of employees: 1R indicates 10 or more employees

Composite credit appraisal: 3 is fair

This assessment is based on D&Bs D&B Rating.

Financial Overview

Current Ratio	(999.9)
Quick Ratio	UN

History Status CLEAR

Total Liabilities to Net Worth Ratio (%) UN

Sales to Working Capital Ratio UN


Public Filings

The following data includes both open and closed filings found in D&B's database on this company.

Record Type	Number of Records	Most Recent Filing Date
Bankruptcies	0	-
Judgments	0	-
Liens	0	-
Suits	0	-
UCCs	9	11/16/12


The public record items contained herein may have been paid, terminated, vacated or released prior to today's date.

News & Alerts

Alert Type	Date	Actions
 D&B Rating	10/16/2014	View

In the last 30 days, 1 alerts were generated for this company.

Predictive Indicators

Currency: Shown in USD unless otherwise indicated 

Credit Capacity Summary

This credit rating was assigned because of D&B's assessment of the company's creditworthiness. For more information, see the D&B Rating Key

D&B Rating : 1R3

Number of employees: 1R indicates 10 or more employees
Composite credit appraisal: 3 is fair

The Rating was changed on October 3, 2014 because of D & B's overall assessment of the company's financial, payment and history information.

The 1R and 2R ratings categories reflect company size based on the total number of employees for the business. They are assigned to business files that do not contain a current financial statement. In 1R and 2R Ratings, the 2, 3, or 4 creditworthiness indicator is based on analysis by D&B of public filings, trade payments, business age and other important factors. 2 is the highest Composite Credit Appraisal a company not supplying D&B with current financial information can receive.

Below is an overview of the company's rating history since 06-16-2004

D&B Rating	Date Applied
1R3	10-03-2014
--	06-18-2012
1R3	10-04-2007
BB4	03-19-2007
1R3	05-11-2006
2R3	05-11-2005
--	06-16-2004

Number of Employees Total: 21

As of 12/31/05

Working Capital: (\$12,762)

Payment Activity: (based on 5 experiences)

Average High Credit: 5,000

Highest Credit: 5,000

Total Highest Credit: 5,200

D&B Credit Limit Recommendation

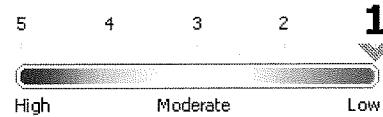
Conservative credit Limit

25,000

Aggressive credit Limit: 45,000

Risk category for this business :

LOW



The Credit Limit Recommendation (CLR) is intended to serve as a directional benchmark for all businesses within the same line of business or industry, and is not calculated based on any individual business. Thus, the CLR is intended to help guide the credit limit decision, and must be balanced in combination with other elements which reflect the individual company's size, financial strength, payment history, and credit worthiness, all of which can be derived from D&B reports.

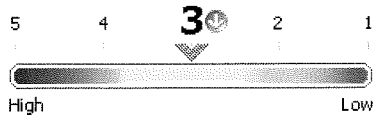
Risk is assessed using D&Bs scoring methodology and is one factor used to create the recommended limits. See Help for details.

Financial Stress Class Summary

The Financial Stress Score predicts the likelihood of a firm ceasing business without paying all creditors in full, or reorganization or obtaining relief from creditors under state/federal law over the next 12 months. Scores were calculated using a statistically valid model derived from D&Bs extensive data files.

The Financial Stress Class of 3 for this company shows that firms with this class had a failure rate of 0.24% (24 per 10,000), which is lower than the average of businesses in D & B's database.

Financial Stress Class :



Moderately lower than average risk of severe financial stress, such as a bankruptcy or going out of business with unpaid debt, over the next 12 months.

Probability of Failure:

Risk of Severe Financial Stress for Businesses with this Class: **0.24 %** (24 per 10,000)

Financial Stress National Percentile : **56** (Highest Risk: 1; Lowest Risk: 100)

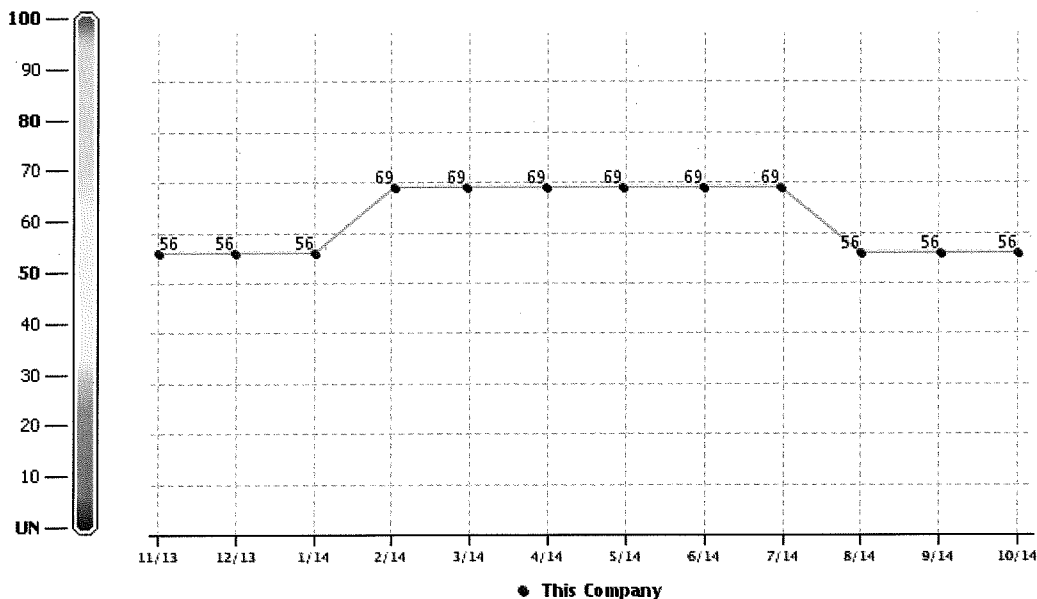
Financial Stress Score : **1487** (Highest Risk: 1,001; Lowest Risk: 1,875)

Average Risk of Severe Financial Stress for Businesses in D&B database: **0.48 %** (48 per 10,000)

The Financial Stress Class of this business is based on the following factors:

Low proportion of satisfactory payment experiences to total payment experiences.

Financial Stress Percentile Trend:



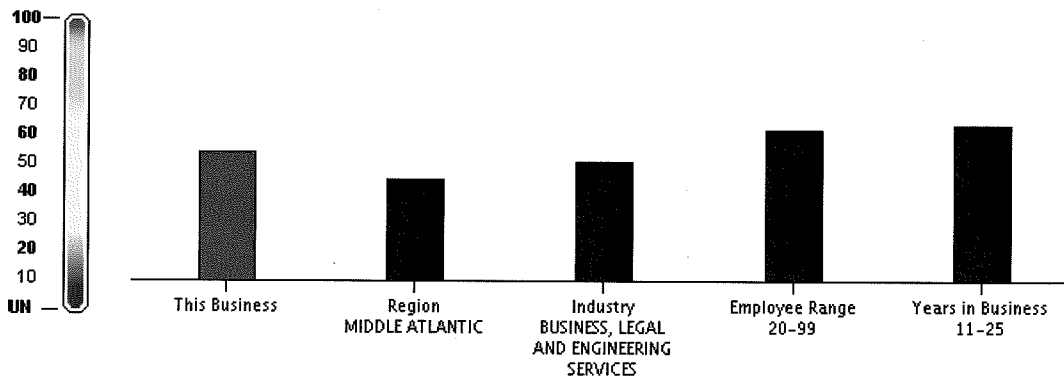
Notes:

The Financial Stress Class indicates that this firm shares some of the same business and financial characteristics of other companies with this classification. It does not mean the firm will necessarily experience financial stress.

The Probability of Failure shows the percentage of firms in a given Class that discontinued operations over the past year with loss to creditors. The Probability of Failure - National Average represents the national failure rate and is provided for comparative purposes.

The Financial Stress National Percentile reflects the relative ranking of a company among all scorable companies in D&Bs file.

The Financial Stress Score offers a more precise measure of the level of risk than the Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.

**Norms****National %**

This Business	56
Region: MIDDLE ATLANTIC	44
Industry: BUSINESS, LEGAL AND ENGINEERING SERVICES	52
Employee range: 20-99	66
Years in Business: 11-25	68

This Business has a Financial Stress Percentile that shows:

- Lower risk than other companies in the same region.
- Lower risk than other companies in the same industry.
- Higher risk than other companies in the same employee size range.
- Higher risk than other companies with a comparable number of years in business.

Credit Score Summary

The Commercial Credit Score (CCS) predicts the likelihood of a business paying its bills in a severely delinquent manner (91 days or more past terms), obtaining legal relief from its creditors or ceasing operations without paying all creditors in full over the next 12 months. The Credit Score class of 3 for this company shows that 5.8% of firms with this class paid one or more bills severely delinquent, which is lower than the average of businesses in D & B's database.

Credit Score Class :**Incidence of Delinquent Payment**

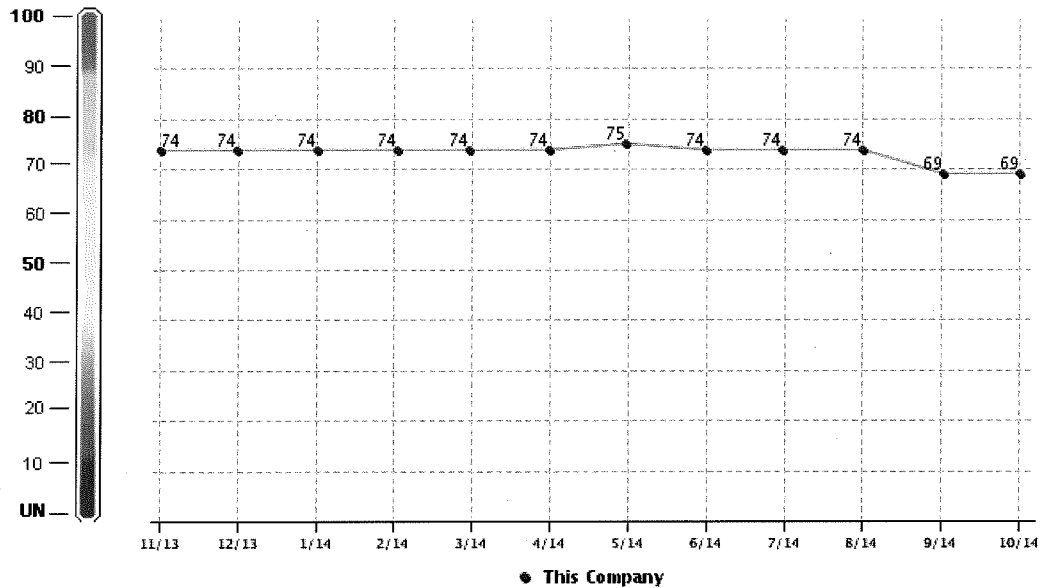
Among Companies with this Classification: **5.80 %**
 Average compared to businesses in D&Bs database: **10.20 %**
 Credit Score Percentile : **69** (Highest Risk: 1; Lowest Risk: 100)

Credit Score : **526** (Highest Risk: 101; Lowest Risk:670)

The Credit Score Class of this business is based on the following factors:

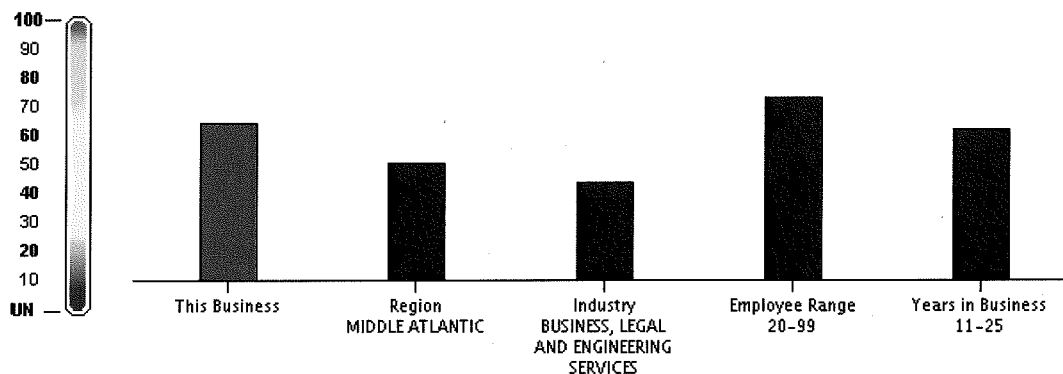
Limited number of satisfactory payment experiences
 Higher risk industry based on delinquency rates for this industry
 Higher risk region based on delinquency rates for this region
 Limited business activity signals reported in the past 12 months
 Decreasing trend in reported number of payment experiences

Credit Score Class Percentile Trend:



Notes:

The Commercial Credit Score Risk Class indicates that this firm shares some of the same business and financial characteristics of other companies with this classification. It does not mean the firm will necessarily experience severe delinquency.
 The Incidence of Delinquent Payment is the percentage of companies with this classification that were reported 91 days past due or more by creditors. The calculation of this value is based on D&B's trade payment database.
 The Commercial Credit Score percentile reflects the relative ranking of a firm among all scorable companies in D&B's file.
 The Commercial Credit Score offers a more precise measure of the level of risk than the Risk Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.



Norms

This Business
 Region: MIDDLE ATLANTIC

National %

69
 51
 43

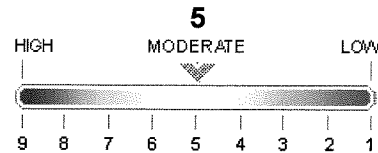
Norms	National %
Industry: BUSINESS, LEGAL AND ENGINEERING SERVICES	
Employee range: 20-99	80
Years in Business: 11-25	66

This business has a Credit Score Percentile that shows:

- Lower risk than other companies in the same region.
- Lower risk than other companies in the same industry.
- Higher risk than other companies in the same employee size range.
- Lower risk than other companies with a comparable number of years in business.

Predictive Indicators - Supplier Evaluation Risk Rating

Supplier Evaluation Risk Rating: 5




Higher risk industry based on inactive rate for this industry

Limited time under present management control

Limited business activity signals reported in the past 12 months

Trade Payments

Currency: Shown in USD unless otherwise indicated 

Payment Summary

- There are 5 payment experience(s) in D&Bs file for the most recent 24 months, with 0 experience(s) reported during the last three month period.
- The highest Now Owes on file is 0 . The highest Past Due on file is 0

Below is an overview of the companys currency-weighted payments, segmented by its suppliers primary industries:

	Total Rev'd (#)	Total Amts	Largest High Credit	Within Terms (%)	Days Slow <31 31-60 61-90 90> (%) (%) (%) (%)			
Top Industries								
Ret mail-order house	1	5,000	5,000	100	0	0	0	0
Other payment categories								
Cash experiences	3	150	50					
Payment record unknown	1	50	50					
Unfavorable comments	0	0	0					
Placed for collections								
With D&B	0	0	0					
Other	0	N/A	0					
Total in D&B's file	5	5,200	5,000					

Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

Indications of slowness can be result of dispute over merchandise, skipped invoices etc.


Detailed payment history for this company

Date Reported (mm/yy)	Paying Record	High Credit	Now Owes	Past Due	Selling Terms	Last Sale Within (month)
07/14	(001)	50	0	0		6-12 mos
05/14	(002)	50			Cash account	4-5 mos
04/14	(003)	50			Cash account	1 mo
02/13	(004)	50			Cash account	2-3 mos
12/12	Ppt	5,000	0	0	N30	6-12 mos

Payments Detail Key: 30 or more days beyond terms

Payment experiences reflect how bills are paid in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices, etc. Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.

Public Filings

Currency: Shown in USD unless otherwise indicated 

Summary

The following data includes both open and closed filings found in D&B's database on this company.

Record Type	# of Records	Most Recent Filing Date
Bankruptcy Proceedings	0	-
Judgments	0	-
Liens	0	-
Suits	0	-
UCCs	9	11/16/12

The following Public Filing data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

UCC Filings

Collateral	All Assets and proceeds
Type	Original
Sec. Party	WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE AGENT, CHARLOTTE, NC
Debtor	ALVAREZ & MARSAL GLOBAL FORENSIC AND DISPUTE SERVICES, LLC
Filing No.	2012 4441400
Filed With	SECRETARY OF STATE/UCC DIVISION, DOVER, DE
Date Filed	2012-11-16
Latest Info Received	12/06/12

Collateral All Assets and proceeds
Type Original
Sec. Party WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE AGENT,
CHARLOTTE, NC
Debtor ALVAREZ & MARSAL PUBLIC SECTOR SERVICES, LLC
Filing No. 2010 4468579
Filed With SECRETARY OF STATE/UCC DIVISION, DOVER, DE

Date Filed 2010-12-16
Latest Info Received 01/05/11

Collateral All Account(s) and proceeds
Type Original
Sec. Party HSBC BANK USA N.A., NEW YORK, NY
Debtor ALVAREZ & MARSAL CLAIMS MANAGEMENT SERVICES, LLC
Filing No. 0711270918430
Filed With SECRETARY OF STATE/UCC DIVISION, ALBANY, NY

Date Filed 2007-11-27
Latest Info Received 12/04/07

Collateral All Account(s) and proceeds
Type Original
Sec. Party HSBC BANK USA N.A., NEW YORK, NY
Debtor ALVAREZ & MARSAL PUBLIC SECTOR SERVICES, LLC
Filing No. 0711270918416
Filed With SECRETARY OF STATE/UCC DIVISION, ALBANY, NY

Date Filed 2007-11-27
Latest Info Received 12/04/07

Collateral All Account(s) and proceeds
Type Original
Sec. Party HSBC BANK USA N.A., NEW YORK, NY
Debtor ALVAREZ & MARSAL REAL ESTATE ADVISORY SERVICES, LLC
Filing No. 0711270918353
Filed With SECRETARY OF STATE/UCC DIVISION, ALBANY, NY

Date Filed 2007-11-27
Latest Info Received 12/04/07

Collateral All Account(s) and proceeds
Type Original
Sec. Party HSBC BANK USA N.A., NEW YORK, NY

Debtor ALVAREZ & MARSAL HEALTHCARE INDUSTRY GROUP, LLC
Filing No. 0711270918327
Filed With SECRETARY OF STATE/UCC DIVISION, ALBANY, NY

Date Filed 2007-11-27
Latest Info Received 12/04/07

Collateral All Account(s) and proceeds
Type Original
Sec. Party HSBC BANK USA N.A., NEW YORK, NY
Debtor ALVAREZ & MARSAL DISPUTE ANALYSIS AND FORENSIC SERVICES, LLC
Filing No. 0711270918315
Filed With SECRETARY OF STATE/UCC DIVISION, ALBANY, NY

Date Filed 2007-11-27
Latest Info Received 12/04/07

Collateral All Account(s) and proceeds
Type Original
Sec. Party HSBC BANK USA N.A., NEW YORK, NY
Debtor ALVAREZ & MARSAL TECHNOLOGY ASSET MANAGEMENT SERVICES, LLC
Filing No. 0711270918303
Filed With SECRETARY OF STATE/UCC DIVISION, ALBANY, NY

Date Filed 2007-11-27
Latest Info Received 12/04/07

Type Amendment
Sec. Party WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE AGENT
Debtor ALVAREZ & MARSAL FINANCIAL INDUSTRY ADVISORY SERVICES, LLC
Filing No. 2012 4441418
Filed With SECRETARY OF STATE/UCC DIVISION, DOVER, DE

Date Filed 2012-11-16
Latest Info Received 12/06/12
Original Filing No. 2010 4466789

Government Activity

Activity summary

Borrower (Dir/Guar)	NO
Administrative Debt	NO
Contractor	YES


Grantee	NO
Party excluded from federal program(s)	NO

Possible candidate for socio-economic program consideration

Labour Surplus Area	N/A
Small Business	YES (2014)
8(A) firm	N/A

The details provided in the Government Activity section are as reported to Dun & Bradstreet by the federal government and other sources.

History & Operations

Currency: Shown in USD unless otherwise indicated 

Company Overview

Company Name:	ALVAREZ & MARSAL PUBLIC SECTOR SERVICES, LLC
Street Address:	600 Madison Ave 8th Fl New York , NY 10022
Phone:	212 759-4433
History	Is clear
Present management control	11 years

SIC & NAICS**SIC:**

Based on information in our file, D&B has assigned this company an extended 8-digit SIC. D&B's use of 8-digit SICs enables us to be more specific about a company's operations than if we use the standard 4-digit code.

The 4-digit SIC numbers link to the description on the Occupational Safety & Health Administration (OSHA) Web site. Links open in a new browser window.

8742 9908 Financial consultant

NAICS:

541611 Administrative Management and General Management Consulting Services

Financials

Currency: Shown in USD unless otherwise indicated 

Company Financials: D&B

2014-10-03

One-year Statement Comparative:

	Fiscal
	Dec 31 2005
Current Assets	(12,762)
Current Liabilities	0

	Fiscal
	Dec 31 2005
Other Assets	245,498
Net Worth	232,736
Long Term Liab	0

Key Business Ratios

Statement Date Dec 31 2005
Based on this Number of Establishments 28

Industry Norms Based On 28 Establishments

	This Business	Industry Median	Industry Quartile
Profitability			
Return on Sales %	UN	2.5	UN
Return on Net Worth %	UN	16.7	UN
Short-Term Solvency			
Current Ratio	(999.9)	1.5	4
Quick Ratio	UN	1.2	UN
Efficiency			
Assets to Sales %	UN	33.7	UN
Sales / Net Working Capital	UN	7.3	UN
Utilization			
Total Liabilities / Net Worth (%)	UN	133.7	UN

UN = Unavailable

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TAB 8 – REFERENCES

Provide 3 references, preferably public agencies, where Products or Services have been performed in the last 12 months. If additional space is required, provide on a separate sheet.

Reference 1

Company Name: State of Louisiana Phone: (225) 342-7101
Contact: Ruth Johnson Email: ruth.johnson@la.gov
Title: Deputy Commissioner for Division of Administration
Address: 1201 North Third Street, Suite 7-210 Baton Rouge, LA 70802

Description of innovative applications or solutions provided:

A&M has contracted by the State of Louisiana Division of Administration to undertake a government efficiency review of nine cabinet agencies. The Governmental Efficiencies Management Support (GEMS) project that began in 2013 with the intent to identify at least \$500 million in efficiencies and cost savings measures in State government. The six month review encompassed a bottoms up review of the various departments and offices by expanding already successful programs, maximizing federal funding, improving internal performance, preventing fraud and abuse, identifying new and/or expanded revenues and development of a strategic sourcing process for the procurement of goods and services including more effectively managing contracts.

All recommendations were thoroughly vetted to ensure they can be implemented in the time frames included in the report and with the staff currently available at each agency. Throughout implementation, the Division of Administration will continue to work with agencies and the Legislature to evaluate each recommendation's potential outcomes and likelihood of success. The report estimated \$302 million in efficiencies possible in fiscal year 2015. \$73 million has already been included in the FY15 budget. In the first full year of implementation, \$574 million is projected. The efficiencies and cost savings measures were targeted from the Department of Transportation and Development (DOTD), the Department of Corrections (DOC), the Office of Juvenile Justice (OJJ), Department of Public Safety (DPS), the Department of Health and Hospitals (DHH), the Department of Children and Family Services (DCFS), the Office of Risk Management (ORM), Louisiana Economic Development (LED), the Office of Group Benefits (OGB), and Division of Administration. A&M deployed a team approach in working with the agencies and their employees, "

"I appreciate the opportunity that my team had to engage in worthwhile discussions with the representatives of Alvarez & Marsal regarding DPS operations," said Colonel Mike Edmonson, Department of Public Safety Deputy Secretary. "As an agency, we must continue to implement and seek ideas to ensure that our operations are efficient and effective. A&M was instrumental in sharing successful ideas and strategies gained through research from around the country."

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"When implemented, these ideas can help us operate more efficiently and use our equipment and resources more effectively," said Sherri LeBas, Department of Transportation and Development Secretary.

Those efficiencies and cost savings measures come from DOTD, the Department of Corrections (DOC), the Office of Juvenile Justice (OJJ), Department of Public Safety (DPS), the Department of Health and Hospitals (DHH), the Department of Children and Family Services (DCFS), the Office of Risk Management (ORM), Louisiana Economic Development (LED), the Office of Group Benefits (OGB), and DOA.

Describe how this application or solution saved time and money, improved service delivery, increased operational effectiveness or otherwise transformed operating results:

The Government Efficiencies Management Support (GEMS) project was developed to identify at least \$500 million in cost savings and efficiencies within Louisiana State government. The first phase of the project was completed in May 2014 when the final report was issued. A&M assisted the Division from June to October with the implementation of more than 70 efficiency recommendations and development of performance metrics to monitor the rollout of the measures. Some of the budget-savings measures include:

- Expanding the Certified Treatment Rehabilitation Program that allows inmates to earn credits for participating in community and education programs in DOC
- Reducing turnover by aligning caseworkers with individual families for the duration of their time with DCFS
- Reducing the overall cost of healthcare by creating a disease management program to support patients with chronic conditions at DHHS
- Creating new command positions that better utilize senior officers and new troopers, putting more troopers on the road at DPS.
- Moving business support services, currently housed within each district, to a regional or central model at DOTD
- Creating a state sponsored guarantee fund to self-insure the builders' risk insurance costs currently purchased by contractors at ORM
- Changing the way the State contracts with vendors state-wide by implementing a strategic sourcing process that employs new strategies for contract management.
- Upgrading from the current manual documentation process and implementing a document intelligence software package to increase productivity at DOA
- Maximizing revenue opportunities with the review of department charges for services and user charges

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- Entering into partnerships with advertising providers with placement of paid advertisement in DOTD owned rest areas and common spaces
- Increasing office space efficiency through spatial consolidation and ,monetizing underutilized assets
- Restructuring some aspects of the Motion Picture Tax Credit Program and enhancing the review process for these credits and reviewing and improving on requirements for Enterprise Zone benefits.
- Using Electronic Visit Verification (EVV) to Improve Long-Term Care Integrity and Client Care
- Reducing Improper Payment in the Medicaid Program
- Establishing an additional PACE facility to offer another alternative to institutional care
- Maximizing rates for intermediate care facilities
- Raising the food, drug and cosmetic registration fees to statutory maximums

Total dollar amount: \$7,264,252





Reference 2

Company Name: Fairfax County, Virginia Phone: 703-324-4518
Contact: Joe LaHait Email: joe.lahait@fairfaxcounty.gov
Title: Debt Manager
Address: 12055 Government Center Parkway Fairfax, VA 22035

Description of innovative applications or solutions provided:

A&M has served as a real estate advisor to Fairfax County, Virginia, from 2008 to present under several task orders.

- Laurel Hill Adaptive Re-Use – 2009, 2012, and 2014—Mixed use development of the former Lorton Federal Penitentiary (412 housing units, 110,000sf of commercial space, 20,000sf of retail and office space)
- Town of Herndon – 2010 – Downtown Master Plan (unfunded cost of infrastructure improvements)
- Penn Daw Area Feasibility Study – 2011 – Mixed use urban development (24 homes and 220,000 sf of retail and office)
- Lake Anne Village Retail Analysis – 2010 – Mixed use development (1,400 housing units and 220,000 sf of commercial space)

Of particular note is A&M's 2009 engagement with Fairfax County to review and validate the financial information for a public-private partnership provided by the County's master developer in the Laurel Hill Adaptive Reuse Area located at the former historic Lorton Prison Reformatory and Penitentiary. This 80-acre adaptive reuse site includes the former reformatory which is composed of 41 buildings including dorms, an auditorium/hospital and gymnasium, and the former penitentiary's 15 structures including cellblocks, towers, and a dining area. Since 2002, when the U.S. Congress transferred the 2,300 acres of property at Laurel Hill to Fairfax County, the county had worked with residents and Board of Supervisors'-appointed boards and task forces to develop plans for the future use of the area. To ensure the protection of the County's interests in its public-private partnership negotiations, A&M reviewed development assumptions, development costs, project operational cost projections, historic tax credits, housing credits, Community Development Areas (CDAs), and Tax Increment Financing (TIF) to identify any financial shortfalls. In late 2012, A&M was tasked to complete a reassessment of those topics as the County and master developer approached the final stage of negotiations to execute a ground lease for the Reuse Area. A final report was issued in 2014.

As part of its engagement with Fairfax County Virginia, Alvarez & Marsal performed a gap analysis for the Town of Herndon Department of Community Development to determine infrastructure funding gaps and alternative uses of city designated blocks. Based on the land uses provided in the Master Plan, A&M determined the feasibility of development for catalytic city blocks. Upon recognizing an infrastructure gap, A&M identified an amount of publicly

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financed improvements that would bring the development to reasonable profitability. Finally, A&M advised the town on whether the goals of the land owner could be met within a reasonable financial framework that did not inflate the value of the its land as compared to the adjacent town land.

Describe how this application or solution saved time and money, improved service delivery, increased operational effectiveness or otherwise transformed operating results:

On this engagement, A&M performed market research and assessment to provide a best use analysis of the County's real estate assets by analyzing the proposed density of residential, commercial, and retail development on individual parcels, projected commercial and retail lease rates for the project, and short-term and mid-term viability of the proposed asset uses. A&M provided Fairfax County with a financial roadmap outlining the strengths and potential weaknesses of the development's financial plan. Adhering to the counsel of A&M, the Laurel Hill reuse project is currently underway, and has been noted as a prime example of adapting a site while preserving its historical integrity.

As a result of A&M's assistance to the Town of Herndon, the Herndon Town Council approved the rezoning of the site in May 2014. In the coming months the town will be requesting Letters of Intent (LOI) from developers interested in redeveloping the town-owned land downtown. In addition to the town-owned property, there will be several other sites available for redevelopment. A&M's analysis and recommendations enabled the Town of Herndon to capture value and improve quality of life by transforming an underutilized set of parcels into an amenity-laden mixed use development a through a public-private infrastructure arrangement.

Total dollar amount: \$433,065





Reference 3

Company Name: City of Houston Phone: (832) 393-9051
Contact: Kelly Dowe Email: Kelly.Dowe@cityofhouston.net
Title: Director of Finance
Address: 611 Walker, Suite 900, Houston, Texas 77024

Description of innovative applications or solutions provided:

Facing budget pressure, the City of Houston was looking for ways to meet citizens' service needs and support operations, all while balancing the budget. Analysis by the City's Finance department discovered that a significant source of unrealized revenue was being lost to business permit non-compliance. A&M was engaged to help address the revenue leakage through improved permit compliance identification techniques, coupled with application of lean initiatives to increase the permitting capacity within the current cost structure.

In order to develop an effective solution for the City of Houston, A&M's assessment of permit revenue leakage and process improvements was divided into three primary areas: identification of non-compliant businesses, solutions to address revenue leakage, and process improvements to increase capacity of current structure. Our approach is highlighted below:

- *Identify Non-Compliant Businesses* - The approach A&M employed required building target lists of non-compliance that matched the databases of different internal and external departments that permit the same types of businesses. This is relatively simple in concept, but the process of identifying non-compliant businesses can be very difficult if the municipality, as is the case for the City of Houston, does not issue a general business permit or manage all records in one database.
- *Address Revenue Leakage* – To properly develop solutions stop revenue leakage, A&M completed a detailed review of two permit categories to accurately understand the root cause of the problem. A number of new approaches were used to proactively target non-compliant businesses. Examples of solutions included:
 - Targeted use of inspectors – Inspectors' time is expensive and valuable, so it's imperative that inspector time is used as efficiently as possible. A&M identified approaches to more meaningfully target inspector's time.
 - Non-compliance mailings - Conducting non-compliance mail campaigns offers municipalities the opportunity to conduct larger pilots at a significantly lower cost than inspector visits.
 - Operational reports – A&M developed new operational reports working with inspectors and customer service representatives rather than standard monthly management reports.

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- *Increase Capacity Using Lean* - Successfully addressing revenue leakage will increase the number of permits and renewals requiring processing. Where manual processing is used, the increase in volume can lead to increased employee workload, backlogs, and permit processing time, as well as decreased citizen satisfaction, and a delay in posting cash to bank accounts. To alleviate these pressures, managers often react by slowing or halting compliance initiatives or requesting more resources.

A&M applied the Lean approach as an alternative to both suboptimal results. This Lean approach frees capacity through identification and elimination of non-value added activities or "waste" within the permit process. The goal of Lean thinking is to continually seek to eliminate waste in the search for perfection, and as this happens, capacity is freed to handle increased workload without adding employees.

Describe how this application or solution saved time and money, improved service delivery, increased operational effectiveness or otherwise transformed operating results:

By applying lean techniques across multiple departments and developing Supplier Relationship Management (SRM) with third party collection agencies, the City's collections/revenue has increased by over \$20MM annually.

Total dollar amount: \$3MM+





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TAB 9 – U.S. COMMUNITIES ADMINISTRATION AGREEMENT

December 2, 2014

Melissa Glynn, Managing Director
Alvarez & Marsal Public Sector Services
555 Thirteenth Street, NW 5th Floor West
Washington, DC 20004

**RE: U.S. Communities Government Innovations and Solutions Cooperative
Innovation and Solutions Administration Agreement**

Dear Ms. Varda:

This letter ("Innovation Agreement") summarizes the intent of the U.S. Communities Government Purchasing Alliance ("U.S. Communities") and Alvarez & Marsal Public Sector Services ("Supplier"), to enter into this Innovation Agreement in consideration of the payments to be made and the mutual covenants contained herein.

Background

U.S. Communities in cooperation with Harvard University's Ash Center/Innovation in American Government, the University of Pennsylvania's Fells Institute, the Alliance for Innovation/Transform Government and other national organizations and institutions to establish a Partners in Innovation Program.

The purpose of the Partners in Innovation Program is to further the common mission of U.S. Communities and these other organizations in transforming government by identifying publicizing and replicating innovative products, solutions, technologies, services and methods ("Innovations and Solutions") that better serve governments and their constituents, save government and education agencies time and money and improve overall operating results. Fairfax County, VA, in furtherance of the Partners in Innovation Program, issued a competitive solicitation identifying, on an ongoing basis, Innovations and Solutions providers that can offer proven innovative applications, have broad national potential and have saved public agencies time and money, improved service delivery, informed decision making, increased operational effectiveness or otherwise transform operating results.

Another key objective of the Partners in Innovation program is to identify start-up and emerging as well as established suppliers that offer creative Innovations and Solutions and through this Innovation Agreement provide the added administrative and marketing support necessary to ensure national public agency access and benefit.





On December 2, 2014, Alvarez & Marsal Public Sector Services (“Supplier”) entered into a Master Agreement with (“Lead Public Agency”) (as amended from time to time in accordance with the terms thereof, the “Master Agreement”) for the purchase of _____ (the “Innovations and Solutions”). The Master Agreement, attached hereto as Exhibit A, provides that any state, county, city, special district, local government, school district, private K-12 school, technical or vocational school, higher education institution (including community colleges, colleges and universities, both public and private), other government agency or nonprofit organization (each a “Public Agency” and collectively, “Public Agencies”) may purchase Products and Services at the prices indicated in the Master Agreement upon prior registration with U.S. Communities, in which case the Public Agency becomes a “Participating Public Agency”.

U.S. Communities has the administrative and legal capacity to administer purchases under the Master Agreement to Participating Public Agencies and serves as the administrative agent for Lead Public Agency and other lead public agencies in connection with other master agreements offered by U.S. Communities.

U.S. Communities and Supplier desire to enter into this Innovation Agreement to make available the Master Agreement to Participating Public Agencies. U.S. Communities and Supplier understand that the Master Agreement shall be incorporated herein by reference as though fully set forth herein, and the terms and conditions contained within the Master Agreement shall apply to this Innovation Agreement. The rights, privileges and indemnifications afforded to the Lead Public Agency under the Master Agreement shall be afforded to U.S. Communities.

U.S. Communities views the relationship with Supplier as an opportunity to provide benefits to both Public Agencies and Supplier. The successful foundation of the relationship requires certain commitments and identified roles from both U.S. Communities and Supplier.

Commitments and Roles of U.S. Communities

1. General. U.S. Communities shall perform all of its duties, responsibilities and obligations as administrator of purchases under the Master Agreement as set forth herein, and Supplier acknowledges that U.S. Communities shall act in the capacity of administrator of purchases under the Master Agreement.
2. Marketing. In an effort to promote the Master Agreement, U.S. Communities shall proactively market the Master Agreement to Public Agencies using resources such as a network of major sponsors including the National League of Cities (NLC), National Association of Counties (NACo), United States Conference of Mayors (USCM), and Association of School Business Officials (ASBO)

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(collectively, the “Founding Co-Sponsors”) and individual state-level sponsors. In addition, the U.S. Communities staff shall enhance Supplier’s marketing efforts through meetings with Public Agencies, participation in key events and tradeshows and by providing online tools to Supplier’s sales force.

3. Support. U.S. Communities shall provide support for the education, training and engagement of Supplier’s sales force as provided herein. Through its staff (each, a “Program Manager” and collectively, the “Program Managers”), U.S. Communities shall conduct training sessions with Supplier and shall conduct calls jointly with Supplier to Public Agencies. U.S. Communities shall also provide Supplier with access to U.S. Communities’ private intranet website which provides presentations, documents and information to assist Supplier’s sales force in effectively promoting the Master Agreement.
4. Online Reporting. Within sixty (60) days of the end of each calendar quarter, U.S. Communities shall provide online reporting to Supplier containing Supplier’s sales reporting for such calendar quarter. Supplier shall contact U.S. Communities within fifteen (15) days of receiving notification of the online reporting and report to U.S. Communities any concerns or disputes regarding the reports, including but not limited to concerns regarding the following:

Report Name	Follow up with U.S. Communities
5 Qtr Drop Sales Analysis	Financial & Reporting Manager
Zero States Sales	Program Manager
Registered Agency Without Sales Report	Program Manager

Supplier shall have access to the above reports through the U.S. Communities intranet website. The following additional reports are also available to Supplier and are useful in resolving reporting issues and enabling Supplier to better manage its Master Agreement:

- (i) Agency Sales by Population/Enrollment Report
- (ii) Hot Prospect Sales Report
- (iii) New Lead Sales Report
- (iv) State Comparison Sales Report
- (v) Advisory Board Usage Report
- (vi) Various Agency Type Comparison Reports





5. Marketing and Support - Specific to Innovation Agreement Suppliers

In addition to the standard U.S. Communities Program supplier marketing, support, and reporting (sections 2, 3 & 4), suppliers participating in the Partners in Innovation Exchange Initiative will also receive the benefits of the following additional support;

A. Standard Marketing Content in the Following U.S. Communities Activities;

1. Supplier Summits
2. U.S. Communities Program Workshops
3. U.S. Communities Program Webinars
4. U.S. Communities Tradeshow Booth
5. Key End User Marketing, including
 - a. Elected Officials
 - b. City and County Managers
 - c. Chief Information Officers
 - d. Facility Directors
 - e. Human Resource Directors
 - f. Finance Directors
 - g. Planning and Public Works Directors
 - h. School Administrators
 - i. Police Chiefs and Sheriffs
 - j. Courts, Prosecutors and Public Defenders

B. Additional Marketing Efforts Specific to the Partners in Innovation Exchange:

1. Targeted Emails
2. Social Media Campaigns
3. Press Releases to Target Markets
4. Focused Webinars
5. Focused Workshops

C. Innovation and Solutions Suppliers will fall into three categories;

1. Start Up / Emerging – Suppliers that have less than \$100M in annual sales
2. Established – Suppliers that have more than \$100M in annual sales
3. U.S. Communities Suppliers Associate – This is a supplier / manufacturer distributed or represented by a Supplier that holds an award under a U.S. Communities Government Purchasing Alliance contract. The associate supplier does not hold an award under a U.S. Communities contract and is accessing the innovation program via the awarded U.S. Communities Supplier.

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6. **Fees.** The attached Innovation and Solutions Supplier Fee Schedule (Exhibit D) is categorized by the types of Innovations and Solutions Suppliers referenced above: each supplier category has a corresponding fee schedule that reflects the corresponding level of administrative and marketing support required by U.S. Communities including but not limited to levels of resources, time allocation and overall support required given the status of the Supplier's national presence and administrative, sales and marketing capacity ("Tiered Fees and Services"). All suppliers that exceed \$1.5 million in monthly program sales for 12 consecutive calendar months must participate in the standard U.S. Communities Government Purchasing Alliance fee schedule of 2% on all sales and will receive marketing, reporting and support transition at the standard U.S. Communities Government Purchasing Alliance levels ("Standard Fees and Services"). All suppliers that are participating in the Standard Fees and Services and fail to exceed \$1.5 million in monthly program sales for 3 consecutive calendar months must participate in the Tiered Fees and Services.

Commitments and Roles of Supplier

1. **General.** Supplier shall perform all duties, responsibilities and obligations required under the Master Agreement in the time and manner specified by the Master Agreement.
2. **Supplier's Commitments.** To ensure that Supplier is providing the highest level of public benefit to Participating Public Agencies, Supplier represents and covenants to all commitments outlined in the "Supplier's Commitments" attached hereto as **Exhibit B**.
3. **Pricing Audits.** Supplier shall, at Supplier's sole expense, maintain an accounting of all purchases made by Lead Public Agency and Participating Public Agencies under the Master Agreement. U.S. Communities and Lead Public Agency each reserve the right to audit the accounting for a period of three (3) years from the time such purchases are made. This audit right shall survive termination of this Innovation Agreement for a period of one (1) year from the effective date of termination. U.S. Communities shall have the authority to conduct random audits of Supplier's pricing that is offered to Participating Public Agencies at U.S. Communities' sole cost and expense. Notwithstanding the foregoing, in the event that U.S. Communities is made aware of any pricing being offered to three (3) or more Participating Public Agencies that is materially inconsistent with the pricing under the Master Agreement, U.S. Communities shall have the ability to conduct a reasonable audit of Supplier's pricing at Supplier's sole cost and expense during regular business hours upon reasonable notice. U.S. Communities may conduct the audit internally or may engage a third-party auditing firm on a noncontingent basis.

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Supplier shall solely be responsible for the cost of the audit up to the first \$50,000 and U.S. Communities and Supplier shall each be responsible for fifty percent (50%) of the audit costs that exceed \$50,000. In the event of an audit, the requested materials shall be provided in the format and at the location where kept in the ordinary course of business by Supplier.

4. Administrative Fees. Supplier shall pay to U.S. Communities a monthly administrative fee based upon the total sales price of all purchases shipped and billed pursuant to the Master Agreement, excluding taxes, in the amount detailed in Exhibit D (Fee Schedule) of aggregate purchases made during each calendar month (individually and collectively, "Administrative Fees"). Supplier's annual sales shall be measured on a calendar year basis. All Administrative Fees shall be payable in U.S. Dollars and shall be made by wire to U.S. Communities, or its designee or trustee as may be directed in writing by U.S. Communities. Administrative Fees shall be due and payable within thirty (30) days of the end of each calendar month for purchases shipped and billed during such calendar month. U.S. Communities agrees to pay to Lead Public Agency five percent (5%) of all Administrative Fees received from Supplier to help offset Lead Public Agency's costs incurred in connection with managing the Master Agreement nationally.
5. Sales Reports. Within thirty (30) days of the end of each calendar month, Supplier shall deliver to U.S. Communities an electronic accounting report, in the format prescribed by Exhibit C, attached hereto, summarizing all purchases made under the Master Agreement during such calendar month ("Sales Report"). All purchases indicated in the Sales Report shall be denominated in U.S. Dollars. All purchases shipped and billed pursuant to the Master Agreement for the applicable calendar month shall be included in the Sales Report. U.S. Communities reserves the right upon reasonable advance notice to Supplier to change the prescribed report format to accommodate the distribution of the Administrative Fees to its program sponsors and state associations.
 - a. Monthly Sales Reports shall include all sales reporting under the Master Agreement. Supplier must make reasonable attempts at filling in all required information and contact U.S. Communities with a plan to correct any deficiencies of data field population.
 - b. Submitted reports shall be verified by U.S. Communities against its registration database. Any data that is inconsistent with the registration database shall be changed prior to processing.
6. Exception Reporting/Sales Reports Audits. Supplier hereby agrees that U.S. Communities or its designee may, at its sole discretion, compare Supplier's Sales Reports with Participating Public Agency records or other sales analysis performed by Participating Public Agencies, sponsors, advisory board members or U.S. Communities staff. If there is a material discrepancy between the Sales Report and such records or

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sales analysis as determined by U.S. Communities, U.S. Communities shall notify Supplier in writing and Supplier shall have thirty (30) days from the date of such notice to resolve the discrepancy to U.S. Communities' reasonable satisfaction. Upon resolution of the discrepancy, Supplier shall remit payment to U.S. Communities' trustee within fifteen (15) calendar days. Any questions regarding an exception report should be directed to U.S. Communities in writing to reporting@uscommunities.org. If Supplier does not resolve the discrepancy to U.S. Communities' reasonable satisfaction within thirty (30) days, U.S. Communities shall have the right to engage outside services to conduct an independent audit of Supplier's reports. Supplier shall solely be responsible for the cost of the audit up to the first \$50,000 and U.S. Communities and Supplier shall each be responsible for fifty percent (50%) of the audit costs that exceed \$50,000.

7. Supplier's Failure to Provide Reports or Pay Administrative Fees. Failure to provide a Sales Report or pay Administrative Fees within the time and in the manner specified herein shall be regarded as a material breach under this Innovation Agreement and if not cured within thirty (30) days of written notice to Supplier, shall be deemed a cause for termination of the Master Agreement at Lead Public Agency's sole discretion or this Innovation Agreement at U.S. Communities' sole discretion. All Administrative Fees not paid within thirty (30) days of the end of the previous calendar month shall bear interest at the rate of one and one-half percent (1.5%) per month until paid in full.
8. Release on Purchases. Supplier hereby agrees that with respect to any purchases made by Lead Public Agency or any Participating Public Agency pursuant to the Master Agreement, U.S. Communities (a) shall not be construed as a dealer, re-marketer, representative, partner, or agent of any type of Supplier, Lead Public Agency or such Participating Public Agency, (b) shall not be obligated, liable or responsible (i) for any orders made by Lead Public Agency, any Participating Public Agency or any employee of Lead Public Agency or a Participating Public Agency under the Master Agreement, or (ii) for any payments required to be made with respect to such order, and (c) shall not be obligated, liable or responsible for any failure by a Participating Public Agency to (i) comply with procedures or requirements of applicable law, or (ii) obtain the due authorization and approval necessary to purchase under the Master Agreement. U.S. Communities makes no representations or guaranties with respect to any minimum purchases required to be made by Lead Public Agency, any Participating Public Agency, or any employee of Lead Public Agency or a Participating Public Agency under this Innovation Agreement or the Master Agreement.





9. **Breach of Supplier's Representations and Covenants.** The representations and covenants set forth in this Innovation Agreement are the foundation of the relationship between U.S. Communities and Supplier. If Supplier is found to be in violation of, or non-compliance with, one or more of the representations and covenants set forth in this Innovation Agreement, Supplier shall have ninety (90) days from the notice of default to cure such violation or non-compliance and, if Supplier fails to cure such violation or noncompliance within such notice period, it shall be deemed a cause for immediate termination of the Master Agreement at Lead Public Agency's sole discretion or this Innovation Agreement at U.S. Communities' sole discretion.
10. **Indemnity.** Supplier hereby agrees to indemnify and defend U.S. Communities, and its parent companies, subsidiaries, affiliates, shareholders, member, manager, officers, directors, employees, agents, and representatives from and against any and all claims, costs, proceedings, demands, losses, damages, and expenses (including, without limitation, reasonable attorney's fees and legal costs) of any kind or nature, arising from or relating to, any actual or alleged breach of any of Supplier's representations, warranties, or covenants in this Innovation Agreement.

Term of Agreement

This Innovation Agreement is effective as of _____ and shall terminate upon termination of the Master Agreement or any earlier termination in accordance with the terms of this Innovation Agreement, provided, however, that the obligation to pay all amounts owed by Supplier to U.S. Communities through the termination of this Innovation Agreement and all indemnifications afforded by Supplier to U.S. Communities shall survive the term of this Innovation Agreement.

Miscellaneous

1. **Entire Agreement.** This Innovation Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof, and no other agreement, statement, or promise relating to the subject matter of this Innovation Agreement which is not contained herein shall be valid or binding.
2. **Attorney's Fees.** If any action at law or in equity is brought to enforce or interpret the provisions of this Innovation Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs in addition to any other relief to which such party may be entitled.





3. Assignment.

(a) Supplier. Neither this Innovation Agreement nor any rights or obligations hereunder shall be assignable by Supplier without prior written consent of U.S. Communities, and any assignment without such consent shall be void.

(b) U.S. Communities. This Innovation Agreement and any rights or obligations hereunder may be assigned by U.S. Communities in U.S. Communities' sole discretion, to an existing or newly established legal entity that has the authority and capacity to perform U.S. Communities' obligations hereunder.

4. Notices. All reports, notices or other communications given hereunder shall be delivered by first-class mail, postage prepaid, or overnight delivery requiring signature on receipt to the addresses as set forth below. U.S. Communities may, by written notice delivered to Supplier, designate any different address to which subsequent reports, notices or other communications shall be sent.

U.S. Communities: U.S. Communities
2999 Oak Road, Suite 710
Walnut Creek, California 94597
Attn: Program Manager Administration

Supplier: Alvarez & Marsal Public Sector Services
555 Thirteenth Street, NW 5th Floor West
Washington, DC 20004
Attn: U.S. Communities Program Manager

5. Severability. If any provision of this Innovation Agreement shall be deemed to be, or shall in fact be, illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.
6. Waiver. Any failure of a party to enforce, for any period of time, any of the provisions under this Innovation Agreement shall not be construed as a waiver of such provisions or of the right of said party thereafter to enforce each and every provision under this Innovation Agreement.
7. Counterparts. This Innovation Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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8. Modifications. This Innovation Agreement may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the parties hereto.
9. Governing Law; Arbitration. This Innovation Agreement will be governed by and interpreted in accordance with the laws of the State of California without regard to any conflict of laws principles. Any dispute, claim, or controversy arising out of or relating to this Innovation Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this dispute resolution clause, shall be determined by arbitration in Walnut Creek, California, before one (1) arbitrator. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. Judgment on the award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The prevailing party will be entitled to recover its reasonable attorneys' fees and arbitration costs from the other party. The arbitration award shall be final and binding. Each party commits that prior to commencement of arbitration proceedings, the parties shall submit the dispute to JAMS for mediation. The parties will cooperate with JAMS and with one another in selecting a mediator from JAMS panel of neutrals, and in promptly scheduling the mediation proceedings. The parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs. The mediation will be conducted by each party designating a duly authorized officer or other representative to represent the party with the authority to bind the party, and that the parties agree to exchange informally such information as is reasonably necessary and relevant to the issues being mediated. All offers, promises, conduct, and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts, and attorneys, and by the mediator or any JAMS employees, are confidential, privileged, and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. If the dispute is not resolved within thirty (30) days from the date of the submission of the dispute to mediation (or such later date as the parties may mutually agree in writing), the administration of the arbitration shall proceed. The mediation may continue, if the parties so agree, after the appointment of the arbitrator. Unless otherwise agreed by the parties, the mediator shall be disqualified from serving as arbitrator in the case. The pendency of a mediation shall not preclude a party from seeking provisional remedies in aid of the arbitration from a court of appropriate jurisdiction, and the parties agree not to defend against any application for provisional relief on the ground that a mediation is pending.





10. Successors and Assigns. This Innovation Agreement shall inure to the benefit of and shall be binding upon U.S. Communities, Supplier and any successor and assign thereto; subject, however, to the limitations contained herein.

We believe that this Innovation Agreement is a great opportunity to expand the use of your Products and Services, as Supplier, to all Participating Public Agencies through the use of the U.S. Communities program and the cost saving opportunities it provides.

Sincerely,

U.S. COMMUNITIES GOVERNMENT PURCHASING ALLIANCE

By _____
Name: _____
Title: _____
Date: _____

Acknowledged and Agreed to by Supplier:

By *Melissa Glynn*
Name: Melissa Glynn
Title: Managing Director
Date: December 2, 2014





EXHIBIT A

MASTER AGREEMENT

(Fairfax County Master Agreement to be attached at time of award.)





TAB 10 – STAFF PROFILES

The key personnel selected to serve the U.S. Communities account management team represent a team with significant public sector, and/or hands-on experience operating in a resolution environment. A&M has selected highly qualified and experienced consultants focused on delivering outstanding results for our clients with the highest level of integrity. Our people have unparalleled direct operating and management experience as a result of our work on major restructuring and crisis management assignments. This hands-on experience creates an intense bias towards action; a relentless focus on finding practical, realistic solutions and people with experience implementing solutions to complex problems, not just consulting on them.





MELISSA GLYNN, Ph.D., Managing Director, Alvarez & Marsal

**PROFESSIONAL
SUMMARY**

For over 20 years, Dr. Melissa Glynn has addressed strategic and complex tactical issues on behalf of federal, state, energy, and research clients. She co-leads Alvarez & Marsal's public sector practice, bridging the firm's operational heritage to meet the needs of public sector organizations. Since joining A&M, Dr. Glynn has served clients across the education sector, including federal entities, State Educational Agencies (SEAs), Local Educational Agencies (LEAs), and nonprofit organizations. She serves on the board of the USO Metro and the Women's Leadership Council of the United Way of the National Capital Region.

WORK EXPERIENCE

Alvarez & Marsal, Managing Director, 2009 – Present
PricewaterhouseCoopers, Washington Federal Practice, Principal, 1998 – 2008
Univ. of Arizona, Center for Management of Information
Associate Director, 1994 – 1998

EDUCATION

Ph.D., Management Information Systems/Information Resources,
University of Arizona
MA, Library Science, University of Arizona, Tucson, AZ
BA, Art History and Philosophy, Rutgers University, New Brunswick, NJ

**SELECT PROJECT
EXPERIENCE**

Maryland Department of Health and Mental Hygiene, Project Executive

Melissa serves as the lead on a restructuring of the Developmental Disabilities Administration. A&M is working across the agency instituting dramatic change across financial, system and programmatic areas. The Department has faced scrutiny from State and Federal regulators and oversight bodies based repeat audit findings, challenges rolling out a targeted case management model, systems changes, and fiscal irregularities.

North Carolina Department of Health and Human Services, Project

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Executive

A&M navigated DMA's systems and analytical processes to support development of cost savings projections and recommendations related to combining functions of the NC Division of Medical Assistance (DMA) and the State Employee Health Plan (SEHP). Key tasks included: assessing the administrative functions of both DMA and SEHP to identify duplicative efforts; assessing the governing structures of both organizations to identify the best approach to managing a consolidated enterprise; and determining the impact and benefits of consolidating information technology systems.

A&M's final recommendation was that with a \$15 million investment in reorganization, the state could see administrative cost savings estimated at \$748 million. Other recommendations offered would deliver \$3.864B in medical initiative savings for the period from State fiscal year (SFY) 2014 through SFY 2019.

The New School, New York City, Project Executive

In 2012-2013, Melissa led the University's effort to review Administrative Costs. The effort identified annual cost savings opportunities of \$5-\$10 million and quantified the investment required to achieve certain savings. She identified opportunities to consolidate administrative space and faculty offices, and to reduce building hours and energy use. She quantified addressable annual spending to be \$50 million, and conducted benchmarking and best practices analysis to illustrate opportunities for both operational and strategic spending improvements. Her team also identified opportunities to merge administrative functions and contract services.

Government of Guam, U.S. Department of Education, Project Executive

In 2010, she began serving as Project Executive on A&M's work as the Third Party Fiduciary Agent for Federal education funds received by Guam. These funds included \$75 million provided by the American Recovery and Reinvestment Act. She is responsible for oversight of the management of education grants under EDGAR, fixed assets, training of personnel, and the design and implementation of a standalone Enterprise Resource Planning

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(ERP) financial system.

Bill and Melinda Gates Foundation, Project Executive

In 2009, she assumed the role of Project Executive when A&M was contracted by the Gates Foundation to perform a cost per degree analysis. In order for universities to know where to prioritize their spending and how to invest in valuable infrastructure, an accurate read is necessary of what it costs to educate students. A&M led a study to look not only at operating expenses, but all university expenses, and reached valuable conclusions regarding the investment and cost-breakdown for large education institutions.

Government of the U.S. Virgin Islands, Compliance Director

In 2009, she served as Compliance Director on A&M's contract with the U.S. Virgin Islands. She led a team to achieve compliance with Special Operating conditions set forth by the U.S. Department of Education. These conditions related to performance management, governance, program evaluation, financial management, and strategic planning.





MARK HEINRICH, Managing Director, Alvarez & Marsal

PROFESSIONAL SUMMARY

Admiral Mark Heinrich, U. S. Navy (retired) is a Managing Director with Alvarez & Marsal in Washington, DC, with over 30 years of visionary leadership and executive experience. His broad knowledge in operations, logistics and supply chain management was honed leading organizations that ranged in size from 90-member teams to corporate business units with over 25,000 employees.

WORK EXPERIENCE

Admiral Heinrich was the thought leader of the Navy's energy practice for over a decade and was a leader in their energy supply chain, first assuming command of the Naval Petroleum Office in 2000.

Besides his capstone tour at NAVSUP, he had four other assignments during his eight years as an Admiral. He commanded the Defense Logistics Agency's (DLA's) aviation center of excellence in Richmond, VA and served DLA's Chief Operating Officer at the HQ in Fort Belvoir, VA. Earlier, he commanded the NAVSUP Global Logistics Support Command, with operational logistics support responsibilities around the world.

In 2008, Admiral Heinrich deployed to the Middle East as Director of the U.S. Central Command's Deployment & Distribution Operations Center in Kuwait, where he applied deployment and distribution expertise to plan and execute joint and combined force military operations.

His additional overseas tours included leading a deep-water fuel depot in Subic Bay in the Republic of the Philippines. His sea tours included duties as assistant supply officer of USS Kinkaid (DD-965), and supply officer of USS Gridley (CG-21) and USS Constellation (CV-64) – with extensive deployments to the Western Pacific and Southeast Asia.

Finally, he has broad experience leading the Navy's logistics humanitarian assistance and disaster relief efforts, honed during responses to the earthquake in Haiti, the tidal wave in Indonesia, an oil

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spill in the Gulf of Mexico, and the earthquake, tsunami and subsequent nuclear emergency in Japan.

EDUCATION

Bachelors in Engineering, U.S. Naval Academy, Annapolis, MD
MBA, MS in Petroleum Management, University of Kansas, Lawrence, Kansas

**SELECT PROJECT
EXPERIENCE**

In his final assignment in the Navy, Admiral Heinrich served as the CEO of Naval Supply Systems Command (NAVSUP) and the 46th Chief of Supply Corps, where he led their 25,000-member global supply chain practice. This included: a network of operational Fleet Logistics Centers; a Weapon System Support team that maintained an inventory valued at over \$22 billion; a network of over 300 Navy Exchange stores, with sales of over \$2 billion per year; and customer-approval ratings that exceeded most major department stores in the U.S.

He also led a large Business Systems Center to maintain the Navy's state of the art SAP ERP system, with over 80,000 users and an organization of over 3,500 active and naval reserve supply corps officers.

His extensive experience in controlling costs and shared services, while creating organizational alignment to achieve maximum productivity, adds greater depth to A&M's restructuring and business consulting practices. His experience in leading large-scale ERP system implementations, as well as the corresponding change management efforts, will benefit A&M's retail to our public sector clients.





JOHN COX, Managing Director, Alvarez & Marsal

**PROFESSIONAL
SUMMARY**

John Cox brings over 20 years of both public and private sector financial management experience to the A&M team. He specializes in providing the internal controls and transparency necessary to ensure organizational solvency and run efficient operations. He also helps public sector clients improve their standard business practices while managing programs that deliver services to vulnerable and needy individuals. He currently serves as the Project Executive for the Pennsylvania Office of Developmental Programs where he is responsible for budget management, provider and key stakeholder communication, and overall financial oversight.

WORK EXPERIENCE

Alvarez & Marsal, Managing Director 2011 – Present
Alvarez & Marsal, Senior Director, 2010 – 2011
Grant Thornton, Engagement Director, 2009 – 2010
US Department of Housing and Urban Development , CFO, 2006 – 2009
BMC Software, Inc., CFO, 1989 – 2004

EDUCATION

CPA, Licensed in Texas
BA, Accounting, Texas A&M University, College Station, TX

**SELECT PROJECT
EXPERIENCE**

Pennsylvania Department of Public Welfare, Office of Developmental Programs

Serves as project leader to assess and reengineer ODP's costs, particularly with regard to policy and rate setting, and to implement budgetary controls in order to continue its service to all constituents. The project team provides effective communication and transparency around policy decisions to key stakeholder groups including providers. The project has delivered \$75 million of savings in revenue reconciliation payments and cuts in cost-based rates to alleviate budget constraints.

Maryland Department of Health and Mental Hygiene, Developmental Disabilities Administration

Serves as subject matter expert to enhance and optimize DDA's financial controls and business practices. The project team has created several reporting tools to monitor the program's costs while engaging stakeholders to increase spending transparency.





North Texas Tollway Administration

Served as project leader as A&M performed an assessment of multiple NTTA financial areas, including where the organization had entered into P3 transactions to finance road constructions.





DAVID JAVDAN, Managing Director, Alvarez & Marsal

**PROFESSIONAL
SUMMARY**

For over 20 years, Mr. David Javdan has addressed complex legal and banking regulatory issues on behalf of corporate, private and public entities. As a former legal executive and federal and state regulator, Mr. Javdan brings a unique mix of experience and credibility in the corporate and public sectors. He has deep expertise in private equity investing, small business lending, sophisticated financial transactions, complex financial accounting and audit matters, healthcare law and multi-party international litigation.

WORK EXPERIENCE

Alvarez & Marsal, Managing Director, 2006 – Present
U.S. Small Business Administration, General Counsel, 2002 – 2006
Stroock & Stroock & Lavan LLP, Attorney, 1993 – 2002

EDUCATION

J.D., Fordham University, New York, NY
B.A., Columbia University, New York, NY

**SELECT PROJECT
EXPERIENCE**

U.S. Small Business Administration, General Counsel

Directed lending during critical periods including post Hurricane Katrina and managed 450 attorneys. Additionally served on the federal procurement reform counsel.

Stroock & Stroock & Lavan LLP, Attorney

Participated in Stroock's representation of the Austrian Jewish community in Holocaust restitution matters, including serving as counsel before the U.S. State Department in negotiating sessions with the Austrian government. Also served as pro bono counsel to the New York State Senate, where he drafted the nation's first insurance laws allowing individuals and small businesses to seek restitution of property converted during the Nazi era.

Moreland Commission Member

Appointed by New York Governor Andrew Cuomo to be member of the Moreland Commission, which probes systemic corruption in state government, political campaigns and elections in New York State.





JOHN ROSSMAN, Managing Director, Alvarez & Marsal

PROFESSIONAL SUMMARY John Rossman, Managing Director with Alvarez & Marsal Business Consulting, leads the firm's Pacific Northwest consulting practice. With over 17 years of experience, Mr. Rossman is an expert in cost reduction, business innovation, business-to-business (B2B) integration, and has advised on business assessments in all facets of strategy, operations and technology utilization. He currently serves as Senior Technology Advisor to a major foundation focused on US education reform and improvement and has assisted in architecting and negotiating several field technology engagements to test research strategies for teacher and assessment improvement. Mr. Rossman primarily concentrates on supply chain processes in the eCommerce and retail industries, such as cost reduction, large scale merger planning and integration, process improvement, systems and process integration and large-scale program management.

WORK EXPERIENCE Prior to joining A&M, Mr. Rossman was Director of Enterprise Services at Amazon.com, responsible for managing worldwide services to enterprise clients such as Target.com, Toys R Us, Sears.ca, Marks and Spencer and the National Basketball Association (NBA). In this role, Mr. Rossman had full operational and technical ownership for existing clients, overseeing eCommerce solutions such as online merchandizing capability, website technologies, branded fulfillment delivery and branded customer service. As Director of Merchant Integration at Amazon.com, Mr. Rossman was responsible for the development of the Merchants @ program, one of the largest B2B networks with thousands of sellers, offering products in new categories such as apparel, sporting goods, consumer electronics, health and beauty and home.

Previously, Mr. Rossman was a partner with Arthur Andersen Business Consulting. At Andersen, he held various leadership roles, defining strategy, reengineering and operational assessments, technology assessments and implementation of complex change and technology initiatives, for clients such as Microsoft, Columbia Forest Products, Cadence Systems, Plum Creek, Consolidated Freightways, Nike and Boeing.

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Mr. Rossman has served as a member of the Rosettanet.org standards organization.

EDUCATION

Bachelor's degree in industrial engineering from Oregon State University





JOHN RUST, Senior Director, Alvarez & Marsal

PROFESSIONAL SUMMARY

John "J.W." Rust is a Senior Director with Alvarez & Marsal Public Sector Services LLC located in Washington, D.C. Mr. Rust has over 20 years of financial services, transformation, and consulting experience and will serve as the National Account Manager. Mr. Rust has led state-wide government improvement initiatives, and he has specialized expertise across several functional domains including economic impact analysis, portfolio management, citizen value analysis, corporate finance and strategy, and public-private partnerships.

WORK EXPERIENCE

Alvarez & Marsal, Senior Director (2012 to Present)
Booz Allen Hamilton, Senior Associate (2001 to 2012)
West Financial Services, Director of Research (1999 to 2000)
First Union, Financial Consultant (1995 to 1999)

EDUCATION

Johns Hopkins University, M.S. Information & Telecommunications Systems,
Baltimore MD
James Madison University, B.B.A, Finance, Harrisonburg VA

SELECT PROJECT EXPERIENCE

Alvarez & Marsal, Senior Director

Government Efficiency Management Support (GEMS) Services: Mr. Rust was the Phase 1 project manager for the Louisiana State Government Efficiency Management Support (GEMS) services program. He led over 50 consultants, including 6 managing directors and 4 subcontractors, across 14 work streams to identify \$2.7 billion in savings for the state over five years.

Financial Advisory Support for Chapter 9 Bankruptcy Proceedings: Mr. Rust supported a financial advisory project for Chapter 9 proceedings. He performed forensic accounting, analyzed pro forma financials, and developed recommendations for revenue enhancements and operational efficiencies that could be implemented in order to make payments to the various creditor classes.





Large Financial Institution Dodd Frank Act Stress Testing (DFAST) Support:

Mr. Rust was the project manager for a regulatory stress testing engagement for a large banking / mortgage company in the Midwest. A&M developed the regulatory stress testing processes and produced revised stress testing analysis as part of the annual capital planning process and the 2013 DFAST Submission.





NANCY ZIELKE, Senior Director, Alvarez & Marsal

**PROFESSIONAL
SUMMARY**

With more than 28 years of experience, Ms. Zielke brings deep expertise in state and local government budgeting; operational and performance improvement strategies; privatization and outsourcing opportunities; and financial restructuring within complex government organizations. Ms. Zielke has been a key project lead on various distress municipal government financial advisory service projects assisting in measuring the financial health of communities and the development of strategic initiatives to address operating shortfalls. She specializes in providing restructuring and business advice to troubled public sector entities and creditor groups on governmental financial and operational issues. Her primary areas of focus include: cost structure and revenue enhancement analysis, financial and operational management, performance benchmarking, budget redesign and reporting processes, cash flow forecasting, financial modeling, debt capacity analysis, and evaluation of strategic alternatives.

**WORK
EXPERIENCE**

Alvarez & Marsal, Senior Director, May 2007 – Present
University of Missouri-Kansas City, Assistant Vice Chancellor – Fiscal Operations, June 2001 to May 2007
Kansas City Board of Public Utilities, Assistant General Manager – Finance, November 1997 to June 2001
Unified Government of Wyandotte County/City of Kansas City, KS, Finance/Budget Director, October 1984 to November 1997
State of Kansas, Governor's Fellow/Management Analyst, June 1982 to October 1984

EDUCATION

MA, Public Administration, University of Kansas, Lawrence, KS
BA, Business Administration, Adrian College, Adrian, MI
Emergency Manager Certification, Michigan State University, East Lansing, MI





**SELECT PROJECT
EXPERIENCE**

Project Management: Managed Phase II implementation of A&M recommendations for cabinet-level agencies of the State of Louisiana, estimated to save \$2.7 billion in state funds over a five year period. Managed State of South Carolina Department of Health and Human Services developing improved financial processes and budget model to address \$250 million operating deficit.

Government Finance: Managed numerous financial management internal control reviews for local governments recommending improved internal controls, policies and procedures and improved financial reporting and benchmarking tools. Managed operational risk assessment and efficiency review of large municipal utility creating new business process, financial reporting structures, automated customer service applications, and cost saving recommendations. Key manager on numerous economic impact studies and tax incentive reviews including major entertainment, retail and sporting developments.

Served as Interim Deputy CFO / Executive Director of Budget for Detroit Public Schools and the Interim Director of Policy and Budget for the South Carolina Department of Health and Human Services creating refined budget forecasting and reporting structures to address operating deficits and achieved operational and organizational improvements.

She has been a member of Government Finance Officers Association (GFOA), where she served on the Executive Board for six years and was the elected 2004-2005 National President of GFOA. She is a member of Women in Public Finance, GFOA, International Women's Insolvency & Restructuring Confederation, and Kansas University City Management in Training Association. As an author and speaker, she has made numerous government finance presentations including strategies for navigating through fiscal distress, business process improvement, and best practices in resource allocation.





BASILIA YAO, Senior Director, Alvarez & Marsal

PROFESSIONAL SUMMARY

Basilia Yao is a Senior Director with Alvarez & Marsal in New York. She recently joined A&M from the Office of Mayor Michael Bloomberg in the City of New York, where she served as Chief Operating Officer in the Mayor's Office of Housing Recovery Operations. In that role, she oversaw the financial management, performance monitoring and reporting, data analysis, quality assurance, and overall project controls for the City's \$1.3 billion program for repair and reconstruction of homes damaged by Hurricane Sandy. She also served as Senior Policy Advisor to Mayor Bloomberg's Special Initiative for Rebuilding and Resiliency.

She has held previous roles in infrastructure and public finance, including Global Marketing Leader for GE Transportation's locomotive business, where she worked with US States' and international Departments of transportation clients, and as an analyst in Lehman Brothers' Public Finance Department in the Transportation and Infrastructure Group.

She worked for the City of Los Angeles Mayor's Office of Economic Development as a member of Mayor James Hahn's LA Business Team.

WORK EXPERIENCE

Alvarez & Marsal, Senior Director, January 2014 – present

Office of Mayor Michael R. Bloomberg, City of New York

Chief Operating Officer, Office of Housing Recovery Operations, July 2013 – January 2014

Senior Policy Advisory, Special Initiative for Rebuilding and Resiliency, January 2013 – July 2013

GE Transportation, Global Marketing Leader, July 2009 – January 2013

Mercy Corps, Advisor, Social Innovation, July 2006 – June 2009

Office of Mayor James K. Hahn, Los Angeles Business Team, Economic Development Representative, 2001 – 2003

Lehman Brothers, Analyst, Public Finance, 1999 – 2001

EDUCATION

MBA, Harvard Business School, Cambridge, MA

Masters in City Planning, Massachusetts Institute of Technology,





Cambridge, MA

BA, Columbia University, New York, NY

**SELECT PROJECT
EXPERIENCE**

Disaster Recovery / Start-up Operation: Led an engagement to establish Pinoy Relief, a non-profit organization established by A&M Co-CEO Tony Alvarez and the Alvarez Charitable Foundation to provide recovery assistance – including rebuilding classrooms, shelter and fishing boats – to victims of Typhoon Haiyan in the Philippines. As Executive Director of Pinoy Relief, she was responsible for the program execution, financial management and performance monitoring of the organization and its partners.





JULIE DIEHL, Managing Director, Alvarez & Marsal

**PROFESSIONAL
SUMMARY**

Ms. Diehl serves as Regional Solution Leader of A&M's Supply Chain practice and specializes in operational improvement and supply chain management. With more than 27 years of industry and consulting experience, Ms. Diehl brings deep expertise and a perspective of having personally led, as well as coached clients through, initiatives across the supply chain, including strategic sourcing and procurement transformations. Her primary areas of concentration include developing and executing supply chain strategies and leading teams to streamline and optimize supply chain operations across multiple industries in the public and private sector.

**WORK
EXPERIENCE**

Alvarez & Marsal, Managing Director, 2004 – Present
Pennzoil Quaker State, Vice President, Global Strategic Sourcing, 1999 - 2003

EDUCATION

BS, Finance, University of Houston

**SELECT PROJECT
EXPERIENCE**

Top 5 US Municipality

Ms. Diehl's team conducted a rigorous data review and operational assessment of the municipality's third party collection vendors. The team identified and implemented quick win collections improvement and revenue enhancing opportunities with targeted savings of \$8.4 million. As of March 2013, over \$7 million in actual benefits have been realized. Furthermore, a Collections Vendor Management Program was implemented that enabled improved oversight, visibility and performance of external collections vendors.

Heat Transfer and Sound Suppression Manufacturer Sourcing and Procurement Redesign

Ms. Diehl's team delivered more than 13% savings through consolidated materials purchases for certain product categories and implemented a new requirement gathering process that eliminated 60% of the labor from





the procurement function. The A&M team also completed an initial value engineering initiative with two key suppliers that resulted in a 10% annual cost reduction.

Large Construction Supplies Distributor Sourcing Improvements

Ms. Diehl and her A&M team designed and implemented a standardized sourcing process throughout the distributor's organization by developing spend analysis capabilities and the ability to better negotiate with core suppliers. The new procedures realized over 21 percent in cost savings by consolidating 83 suppliers into two suppliers.

Global Airline Corporation Purchasing Strategy

The airline had an inexperienced purchasing team that was not sufficiently structured to control material costs. Ms. Diehl and her team created a purchasing strategy that included low-cost country sourcing, resulting in 40% savings on boarding pass costs and a \$15 million reduction on in-flight magazine costs through the use of reverse auctions. The A&M team also trained 58 purchasing team members and reorganized the purchasing department into commodity purchasing teams to ensure sustainable impacts.

Additional Information

Ms. Diehl is a Certified Purchasing Manager (CPM) and frequently speaks at various industry conferences and seminars on supply chain management. In 2010, Ms. Diehl was named one of the top 25 consultants by Consulting Magazine.





ERIN E. COVINGTON, Senior Director, Alvarez & Marsal

**PROFESSIONAL
SUMMARY**

Erin Covington is a Senior Director with Alvarez & Marsal Public Sector Services LLC in Washington DC. Ms. Covington brings more than 16 years of experience serving in key leadership positions and providing management and advisory services for commercial, public sector and non-profit clients. Her primary areas of concentration are liquidity management, performance improvement, development and evaluation of business plans and transforming finance organizations.

**WORK
EXPERIENCE**

Ms. Covington has extensive experience in K-12 and post-secondary education including the following:

She spent two years with Friendship Public Charter Schools, serving as Chief Financial Officer. Her accomplishments include: completion of a \$36 million public bond offering, resolution of a material weakness related to Federal grant management and improvements to working capital management, resulting an increase of unrestricted liquidity from 15 to 110 days cash on hand.

She served as the Deputy Chief Restructuring Officer for Finance for the New York City Department of Education providing strategic planning and financial management during major reform efforts to transform the public schools. Efforts led to the identification and implementation of \$290 million in cost savings.

She assessed the financial viability and led due diligence efforts for the potential acquisition of Antioch College by a college alumni group. Review led to recommendations on enrollment and staffing plans, purchase price, cash investment and fundraising efforts required to turnaround the college that ultimately led to the successful transfer of the college to the alumni group.

Ms. Covington also has experience working with several different organizations in the healthcare industry including:

She helped to stabilize a cash liquidity crisis for \$1.7 billion provider of

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senior living services through improved working capital management improvements.

She developed a five year financial model for Maxim Healthcare Services, a \$1.3 billion home healthcare and staffing company, to inform the company's debt capacity and ability to settle proposed lawsuit with US Department of Justice.

She developed and analyzed strategic alternatives for Parkway Hospital, a 251 bed acute care hospital, a sleep study company and a medical device company.

Other A&M engagements included restructuring and performance improvement efforts at ACA Financial Guaranty, JA Jones and Levi's Strauss and Company.

Other A&M engagements included restructuring and performance improvement efforts at ACA Financial Guaranty, JA Jones and Levi's Strauss and Company.

EDUCATION

Ms. Covington earned a B.B.A. in Accounting from James Madison University





ERIN B. KENNY, Senior Director, Alvarez & Marsal

**PROFESSIONAL
SUMMARY**

Erin Kenny is a Senior Director with Alvarez & Marsal in Seattle. She specializes in helping clients to develop and implement technology product and channel strategies. She has experience working with online retail, finance and transportation companies, and non-profit organizations.

With more than 15 years of experience, Ms. Kenny has helped multiple companies launch new products and business lines and improve customer service and user experience.

**WORK
EXPERIENCE**

Ms. Kenny's notable assignments include working with a global foundation on their portfolio of investments in data and technology. Most recently, Ms. Kenny worked on a multi-year initiative, in partnership with nine U.S. states, to launch a new non-profit - a shared services platform that will open up access to the market for education tools that help students learn. Her foundation work also includes investment strategy and grant execution support. She has assisted in the development and execution of an extensive service strategy for a major global transportation company, including work to assess Asian, European and North American conveyance operations, process redesign, and cost reduction in their network, with a goal to define and deliver a service improvement strategy.

Prior to joining A&M, Ms. Kenny was a senior manager at Amazon.com, responsible for developing merchant solutions and building product selection. She served as product lead for the creation of the Merchants@ service, which transitioned Amazon's e-commerce functionality into an application platform, accessible to third-party merchants selling on Amazon. Earlier, she managed customer experience for the Marketplace (used products) business. She oversaw online operations, including the set up of merchandising, customer service, product development and fulfillment processes for The Body Shop, a global beauty retailer.

EDUCATION

Masters in Business Administration KELLOGG SCHOOL OF MANGEMENT
NORTHWESTERN UNIVERSITY, Evanston, IL

Bachelor of Arts, cum laude, DUKE UNIVERSITY, Durham, NC

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